**BOOK - POST**

**28TH ANNUAL REPORT 2013-2014**

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**KEY CORP LIMITED**
16/16-A, Civil Lines
Kanpur - 208 001.

PRESS ☎ 8009066688

# 28TH ANNUAL REPORT 2013-2014

## KEY CORP LIMITED

| | |
|---|---|
| BOARD OF DIRECTORS | Dr. Gaur Hari Singhania, *Chairman*<br>Dr. K. B. Agarwal, *Vice-Chairman*<br>Dr. B. D. Agarwal<br>Shri Padam Kumar Jain<br>Shri Raj Kumar Gupta<br>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.<br>*Chartered Accountants*<br>Kanpur - 208 001 |
| LEGAL ADVISOR | Shri Ravindra Verma |
| BANKERS | Bank of Baroda<br>Indian Overseas Bank<br>State Bank of India<br>ICICI Bank Ltd. |
| REGISTERED OFFICE | 16/16-A, Civil Lines,<br>Kanpur - 208 001 |



## NOTICE

Notice is hereby given that the 28th Annual General Meeting of Members of Key Corp Limited will be held on Saturday, the 23rd August, 2014 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, 2014, 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 (holding DIN No. 00235154) who retires by rotation and, being eligible, offers himself for re-appointment.

3. 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 :**

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

   "RESOLVED THAT pursuant to provisions of section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules framed there-under (including any statutory modification(s) or re-enactment there of for the time being in force) read with schedule iv to the Companies Act, 2013 Dr. Gaur Hari Singhania (holding DIN No. 00054848), Director of the Company who retires by rotation at the Annual General Meeting and in respect or whom the Company has received a notice in writing from a member proposing his candidature for the office of the director be and is hereby appointed as an independent director to hold office for five consecutive years for a term upto 31.03.2019".

5. "RESOLVED THAT pursuant to provisions of section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules framed there-under (including any statutory modification(s) or re-enactment there of for the time being in force) read with schedule iv to the Companies Act, 2013 Shri Padam Kumar Jain (holding DIN No. 00176945), Director of the Company who retires by rotation at the Annual General Meeting and in respect or whom the Company has received a notice in writing from a member proposing his candidature for the office of the director be and is hereby appointed as an independent director to hold office for five consecutive years for a term upto 31.03.2019".

6. "RESOLVED THAT pursuant to provisions of section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules framed there-under (including any statutory modification(s) or re-enactment

there of for the time being in force) ready with schedule iv to the Companies Act, 2013 Shri Raj Kumar Gupta (holding DIN No. 00200238), Director of the Company who retires by rotation at the Annual General Meeting and in respect or whom the Company has received a notice in writing from a member proposing his candidature for the office of the director be and is hereby appointed as an independent director to hold office for five consecutive years for a term upto 31.03.2019".

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

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

Dated : 24th May, 2014

**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 16th August 2014 to 23rd August, 2014 (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 70 years, retires by rotation at the ensuing Annual General Meeting. He was appointed in the year 1995. He is M.Sc. & Ph.D. and possess 39 years experience in research and administration. He is not directly interested as Director in any other company.

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Kanpur – 208 001

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

Dated : 24th May, 2014





**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (CORRESPONDING SECTION 173(2) OF THE COMPANIES ACT, 1956) ON ITEM NO. 4, 5 & 6 :**

Independent directors Dr. Gaur Hari Singhania, Shri Padam Kumar Jain and Shri Raj Kumar Gupta have completed their 5 years term. In terms of section 159 and any other applicable provisions of the Companies Act, 2013 Dr. Gaur Hari Singhania, Shri Padam Kumar Jain and Shri Raj Kumar Gupta being eligible and offering themselves for appointment are proposed to be appointed as independent directors for 5 consecutive years for a term upto 31.03.2019. Respective notices have been received from member(s) proposing their candidature for the office of the directors of the Company. In the opinion of the Board Dr. Gaur Hari Singhania, Shri Padam Kumar Jain and Shri Raj Kumar Gupta fulfills the conditions specified in Companies Act, 2013 and rules framed there under for their re-appointment as independent directors of the Company. Given below are the brief resume of Dr. Gaur Hari Singhania, Shri Padam Kumar Jain and Shri Raj Kumar Gupta pursuant to clause 49 of the Listing Agreement:

**Dr. Gaur Hari Singhania (DIN NO. 00054848)**

Dr. Gaur Hari Singhania is non executive independent Director. He holds the Master of Art Degree in Economics and Ph.D. Degree in Economics from Agra University. He has Corporate experience spanning 55 years. He is also Chairman of the Jay Kay Enterprises Ltd., J.K.Cement Ltd., J.K. Cotton Ltd., J.K. Traders Ltd, Yadu International Ltd. and G.H.Securities (P) Ltd.. He has held the position of Chairman of the Merchant Chambers of Uttar Pradesh and Employees Association of Northern India.

**Shri Padam Kumar Jain (DIN NO. 00176945)**

He holds the Master Degree in Commerce. He is the Ex-president of U.P. Stock Exchange Association Ltd., Kanpur. He holds experience in Secondary market operation for more than 43 years. He is Director in SPFL Securities Ltd., Padam Kumar Jain Real Estate (P) Ltd. and Member of the Governing Council of Merchants Chamber of Uttar Pradesh.

**Shri Raj Kumar Gupta (DIN NO. 00200238)**

He holds the Degree of Commerce and is a Practicing Chartered Accountant (FCA). He has more than 25 years experience in Accounts/Audit & Taxation. He is Partner of M/s. Nand Raj Associates (CA) and is a Director in Samaridh Consultants (P) Ltd.

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Kanpur – 208 001

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

Dated : 24th May, 2014

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# KEY CORP LIMITED

**Remaining part of the Notice dated 24.05.2014 for the financial year ended 31.03.2014.**

The Ministry of Corporate Affairs has taken "Green Initiative" in the Corporate Governance by allowing paperless compliance by the Companies and has issued circular stating that service of notice/documents including annual return can be sent by e-mail to its members. In this regard we solicit your cooperation to update our data bank. Members are requested to intimate their e-mail addresses, contact number at our e-mail address i.e. keycorpltd@gmail.com. Members who have shares in physical form are requested to intimate their e-mail addresses, contact number in our email keycorpltd@gmail.com.

I. In terms of section 107 & 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rule, 2014. The Company providing its members to facilitate to exercise their right to vote at the meeting by electronic means on any or all of the business specified accompanying notice. Necessary arrangements have been made by the Company with CDSL to facilitate e-voting, E-VOTING as optional and members shall have an option to vote either through e-voting or in person at the General Meeting.

The procedure and instructions for voting through electronic means are as under :-

a. Log on to the e-voting website : www.evotingindia.com during the voting period.

b. Click on "Shareholders" tab

c. Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip alongwith **"KEY CORP LIMITED"** from the drop down menu and click on "SUBMIT".

d. Now Enter your User ID (as mentioned in the Attendance Slip) :
   i. For CDSL: 16 digits beneficiary ID,
   ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.

e. Next enter the Image Verification as displayed and Click on Login.

f. 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.

g. However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes :

h. After entering these details appropriately, click on "SUBMIT" tab.

i. 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 mandatory 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.

j. For Members holding shares in physical form, the **details in Attendance Slip** can be used only for e-voting on the resolutions contained in this Notice.

k. Click on the relevant EVSN **"KEY CORP LIMITED"** for which you choose to vote.

l. 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.

contd....

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m. Click on the "Resolutions File Link" if you wish to view the entire Resolution

n. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box wills 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.

o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

p. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

q. If Demat account holder has forgotten the **changed password** then enter the User ID and image verification code, click on Forgot Password & enter the details as prompted by the system.

r. 
   - Institutional shareholders (i.e. other than Individuals, H U F, and NRI etc.) are required to log on to **https://www.evotingindia.co.in** and register themselves as Corporate.
   - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
   - After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.
   - The list of accounts should be mailed to heldesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
   - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Authorised Person/Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

II. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com. You can also contact the helpdesk on the toll free number: 1800-200-5533.

III. The e-voting period begins from **17.08.2014 from 9.00 A.M.** and ends on **19.08.2014 till 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/entitlement date of **11.07.2014** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.

IV. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off/entitlement date of **11/07/2014**.

V. **Ms.** Vibha Mehrotra & Company, A Practicing Company Secretary, C.P. Membership No. 3103 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared on or after the 28th Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the 28th Annual General Meeting (AGM) of the Company on **23rd August'2014** and communicated to the **Stock Exchange(s)**.

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 28th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2014.

(₹ in lakhs)

| | 31.3.2014 | 31.3.2013 |
|---|---|---|
| **FINANCIAL RESULTS** | | |
| Income from Operations | 74.14 | 102.31 |
| Income from Investment in Mutual Fund | 116.65 | 103.34 |
| Other Income | 0.22 | 0.24 |
| Less : Operating Expenditure | 58.20 | 54.69 |
| Profit Before Depreciation and Finance Cost | 132.81 | 151.80 |
| Less : Depreciation | 2.10 | 2.26 |
| Less : Finance Cost | 0.17 | 0.21 |
| Net Profit for the Year before Tax | 130.54 | 149.33 |
| Less : Provision for Income tax | 6.24 | 9.19 |
| Less : Provision for Deferred Tax | (2.14) | (0.56) |
| Profit after Tax | 126.44 | 140.70 |
| Balance of Profit brought forward | 28.50 | 37.16 |
| Amount available for appropriation after adjustments | 154.94 | 177.86 |
| **APPROPRIATION TO** | | |
| General Reserve | 125.00 | 150.00 |
| Balance carried over | 29.94 | 27.86 |

### DIVIDEND

In order to build up resources your Directors do not recommend payment of dividend for the Financial Year 2013-14.

### 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 is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. As per provisions of Companies Act, 2013, independent directors Dr. Gaur Hari Singhania (DIN No. 00054848), Shri Padam Kumar Jain (DIN No. 00176945) and Shri Raj Kumar Gupta (DIN No. 00200238), have completed their five years term and as per provisions of the Companies Act, 2013 they are to be appointed as Independent Directors for five consecutive years upto 31st March, 2019.

### 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 is listed with Bombay Stock Exchange Ltd., Mumbai. The shares of the Company has been delisted from U.P. Stock Exchange Ltd., Padam Towers, Civil Lines, Kanpur w.e.f. 21st August, 2013.

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 2012-13.

### AUDIT COMMITTEE

During the year the committee held four meetings.

### REMUNERATION COMMITTEE

During the year the committee held two meetings.

### SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

During the year the committee held seven 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 & 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, 2014 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 : 24th May, 2014

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 28 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. 214.49 lacs.

**VIII) HUMAN RESOURCES :**

The company has a professional team to control its day to-day activities under the guidance of the Executive 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 **12/04/2013, 18/05/2013, 03/08/2013, 19/10/2013 and 24/01/2014.**

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 of the last AGM held on 10.08.2013 | 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 | – | 3 | 3 | 3 |
| Dr. B. D. Agarwal Director | Non-Independent Non-Executive | 5 | 3 | No | – | – | – | – |
| Shri Padam Kumar Jain Director | Independent Non-Executive | 5 | 4 | Yes | – | 2 | – | – |
| Shri Raj Kumar Gupta Director | Independent Non-Executive | 5 | 4 | Yes | – | 1 | – | – |
| 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 31st March, 2014 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, 2014, four meetings were held on 17th May 2013, 2nd August, 2013, 19th October, 2013 and 24th January, 2014.

The Committee adopted the annual accounts for the year 2012-2013 in their meeting held on 18th May, 2013.

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, Shri Raj Kumar Gupta & Dr. B.D. Agarwal.

During the year Dr. K.B. Agarwal resigned from the membership of the remuneration committee and Share holders / Investors Grievance Committee w.e.f. 24.01.2014.

**B. Meetings / Attendance**

During the financial year ended 31st March, 2014 two meetings were held on 7th October, 2013 & 24th January, 2014. The Committee raised the remuneration of the Executive Director in the above meeting and change the committee.

The attendance of the Committee Meeting is as under :-

| Name of Members | Meetings Held | Meetings Attended |
|---|---|---|
| Shri Padam Kumar Jain | 2 | 2 Chairman |
| Dr. K. B. Agarwal | 2 | 2 |
| Shri Raj Kumar Gupta | 2 | 2 |
| Dr. B.D. Agarwal | 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 Paid to all the Directors for the year ended 31st March, 2014.





| Name of Directors | 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 | — | — | 3000 | 3000 |
| Shri Raj Kumar Gupta | — | — | 6000 | 6000 |
| Shri G. D. Maheshwari | 261000 | 65879 | — | 326879 |

## 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 | 5 |
| Shri Padam Kumar Jain | 7 | 7 |
| Shri G.D. Maheshwari | 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 keycorpltd@gmail.com and Telephone No. 0512-3010422, 3013416 and Fax No. 0512-3919463.

During the year under review, one complaint was received from a shareholder and the same was resolved.

## 6. GENERAL BODY MEETING

Location and time, where last three AGMs were held :

| Financial Year | Date | Time | Place of the Meeting |
|---|---|---|---|
| 2012-2013 | 10.08.2013 | 10.00 a.m. | 16/16-A, Civil Lines, Kanpur |
| 2011-2012 | 11.08.2012 | 10.00 a.m. | 16/16-A, Civil Lines, Kanpur |
| 2010-2011 | 20.08.2011 | 10.00 a.m. | 16/16-A, Civil Lines, Kanpur |

During the year ended 31st March, 2014, 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 Swatantra Chetana (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 23rd August, 2014 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, 2014 | – | Last week of July, 2014 |
| Ending Sept. 30, 2014 | – | Last week of Oct., 2014 |
| Ending Dec. 31, 2014 | – | Last week of Jan., 2015 |

**Results for the year**

| | | |
|---|---|---|
| Ending March 31st, 2015 | – | Upto 31st May, 2015 |
| Annual General Meeting | – | Upto September, 2015 |

**10.3. Book Closure Date** – **16th August, 2014 to 23rd August, 2014** (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 Bombay Stock Exchange Limited, P J Towers, Dalal Street, Mumbai-400001.The Shares of the Company has been delisted from The U.P. Stock Exchange Ltd., Padam Towers, Civil Lines, Kanpur w.e.f. 21st August, 2013.

**10.6. Stock Code**

Demat ISIN in NSDL/CDSL - INE130F01016

**10.7. Stock Market Price data for the year 2013-2014**

During the year, the market quotation of the stock at Bombay Stock Exchange Ltd. Mumbai was as follows :

Market Price Data ( ₹ )

| Month | Bombay Stock Exchange (BSE) High | Bombay Stock Exchange (BSE) Low |
|---|---|---|
| April, 2013 | 9.00 | 8.90 |
| May, 2013 | 8.56 | 8.56 |
| June, 2013 | 9.48 | 8.56 |
| July, 2013 | 9.90 | 9.90 |
| August, 2013 | 10.89 | 10.38 |
| September, 2013 | 10.35 | 9.84 |
| October, 2013 | -- | -- |
| November, 2013 | 10.49 | 10.49 |
| December, 2013 | 10.50 | 7.42 |
| January, 2014 | 7.50 | 6.80 |
| February, 2014 | 6.80 | 6.18 |
| March, 2014 | 6.20 | 6.20 |

**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 31st March, 2014**

| No. of Equity Shares Held | No. of Folios | % of Folios | No. of Shares Held | % of Shares Held |
|---|---|---|---|---|
| 001 to 500 | 8564 | 95.43 | 1380106 | 23.00 |
| 501 to 1000 | 298 | 3.32 | 239653 | 3.99 |
| 1001 to 2000 | 80 | 0.90 | 115323 | 1.92 |
| 2001 to 3000 | 11 | 0.12 | 26332 | 0.44 |
| 3001 to 4000 | 09 | 0.10 | 32589 | 0.54 |
| 4001 to 5000 | 06 | 0.07 | 28700 | 0.48 |
| 5001 to 10000 | 04 | 0.04 | 25900 | 0.43 |
| 10001 and above | 02 | 0.02 | 4151397 | 69.20 |
| TOTAL | 8974 | 100.00 | 6000000 | 100.00 |

**(b) Categories of Shareholders as on 31st March, 2014**

| Category | % of share holding |
|---|---|
| Promoters | 69.01 |
| Body Corporate | 0.56 |
| Banks/FI's | 0.01 |
| Mutual Funds | 0.01 |
| Public (Indian) | 30.41 |

**(c) There are no institutional investors who are shareholder of the company.**

**10.12. Dematerialisation of Shares and Liquidity**

As on 31st March, 2014, 74.39% of the Company's total shares representing 44,63,544 shares were held in dematerialised form and the balance 25.6% representing 15,36,456 shares were in physical form.

Trading in Equity Shares of the Company is permitted only in Demat form. For having proper liquidity, the equity shares of the company is listed at Stock Exchange Ltd., Mumbai.

**10.13. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion Date and likely impact on equity** – **Nil**

**10.14. Plant locations** – **N.A.**

**10.15. Address for Correspondence**

**(i) The Company's Registered Office is situated at**

16/16-A, Civil Lines,
Kanpur - 208 001 (U.P.)
Tel : (0512) 3010422, 3013416
Fax : (0512) 3919463
Email : keycorpltd@gmail.com

**(ii) Registrar and Share Transfer Agent**

M/s. ABS Consultants Pvt. Ltd.,
R. No. 99, Stephen House, 6th Floor, 4 B.B.D. Bag (East),
Kolkata - 700 001
Tel: (033)-22201043, 22430153
Email : absconsultant@vsnl.net

**10.16. Report of CFO**

The CFO of the company has submitted his report to the auditors and also to audit committee of the Company in respect of annual accounts for the year ended 31st March, 2014.

**Declaration regarding compliance by Board members and senior management personnel with the Company's Code of Conduct**

This is to confirm that the Company has adopted a Code of Conduct for its employees and Directors.

I confirm that the company has in respect of the financial year ended March 31, 2014, received from the senior management team of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, senior management team means the Chief Financial Officer, the Company Secretary and all functional heads of the Company as on March 31, 2014.

Place : Kanpur
Dated : 24th May, 2014

**G.D. Maheshwari**
Executive Director & CEO



## AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,
The Members of
KEY CORP LIMITED

We have examined the compliance of conditions of Corporate Governance by Key Corp Limited, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we report that no investor grievances were pending for a period exceeding one month, as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. P. ADITYA & COMPANY
*Chartered Accountants*
*(FRN : 000542C)*

(CA. UDAYAN MUKERJI)
*Partner*
*Membership No. : 405900*

Place : Kanpur
Dated : 24th May, 2014

## AUDITOR'S REPORT

**TO, THE MEMBERS OF KEY CORP LIMITED**

**1) REPORT ON THE FINANCIAL STATEMENTS :**

We have audited the accompanying financial statements of KEY CORP LIMITED ('the Company') which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**2) MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the official statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3) AUDITOR'S REPONSIBILITY :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**4) OPINION :**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

I. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

II. In the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and

III. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**5) REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure "1" a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a. We have obtained all the information and explanations, which to the, best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

d. In our opinion, the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, except non compliance of AS-'15' "Employee Benefits" to the extent that the provisions for retirement benefits for Gratuity are made as per The Payment of Gratuity Act, 1972 and not in the manner prescribed in AS-15 (See Note No. A 03 (ii) of Notes on Account);

e. On the basis of written representations received from the directors, as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For V. P. ADITYA & COMPANY
*Chartered Accountants*
*(FRN : 000542C)*

Place : Kanpur
Dated : 24th May, 2014

(CA. UDAYAN MUKERJI)
*Partner*
*Membership No. : 405900*





**ANNEXURE "1" Referred to in Paragraph 5 (1) of Auditor's Report of even date, to the members of KEY CORP LIMITED on the financial statements for the year ended March 31, 2014.**

1) Based on such checks and other generally accepted auditing procedures carried on by us and according to the information's and explanations given to us, we report that :-

a) In respect of its fixed assets: -

(1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(2) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(3) The Company has not disposed off substantial part of fixed assets during the reporting period, and as such it does not affect the going concern concept.

b) In respect of its internal control procedures and internal audit system: -

(1) There are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets, stock on hire and services rendered. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(2) The Company has an internal audit system, which appears to be commensurate with the size and nature of its business.

c) In respect of payment of statutory dues: -

(1) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Income tax, wealth tax, service tax and other material statutory dues applicable to it. However, The Employees State Insurance Act is presently not applicable to the Company.

Further, to our information, no undisputed amounts in respect of income tax, wealth tax and other material statutory dues applicable to it, were in arrears as at 31.03.2014 for a period of more than six months from the date these became payable.

(2) There are no dues of income tax, wealth tax, service tax and other material statutory dues which have not been deposited on account of any dispute. Custom duty, sales tax, excise duty and cess are not applicable to the company.

d) The Company is not dealing in shares, securities and debentures. However, it has dealt in units of Mutual Funds and has maintained proper records of purchase and redemption of the units of Mutual Funds. The investment in the units of mutual funds, made by the company, are in its own name.

2) Based on various representations and confirmations made by the management, we report that :-

i) During the year Company had no inventory in the nature of Stock on Hire hence clause (ii) of the Order is not applicable to the company.

ii) The Company has not given any guarantee for loans taken by others, from banks or financial institutions.

iii) The Company has not applied short terms funds into long term investments.

iv) No fraud on or by the company has been noticed or reported during the course , of our audit.

3) On the basis of various representations and confirmations made by the management and overall examination of the Balance Sheet we are of the opinion that :-

(i) The Company has neither granted nor taken loans from firms or other parties, covered in the register maintained u/s 301 of the Companies Act, 1956, therefore sub clause (iii), (v) and (xviii) of clause 4 of the Companies (Auditor's Report) Order, 2003 (as amended by Companies (Auditor's Report) Order, 2004) are not applicable to the company; and

(ii) Sub clause (vi), (viii), (x), (xi), (xii), (xiii), (xvi), (xix) and (xx) of Clause 4 of the said order are also not applicable to the Company.

For V. P. ADITYA & COMPANY
*Chartered Accountants*
*(FRN : 000542C)*

Place : Kanpur
Dated : 24th May, 2014

(CA. UDAYAN MUKERJI)
*Partner*
*Membership No. : 405900*

## BALANCE SHEET AS AT 31ST MARCH, 2014

Amount in ₹

| Particulars | Note No. | As at 31.03.2014 | As at 31.03.2013 |
|---|---|---|---|
| A | B | C | D |
| **I. EQUITY AND LIABILITIES** | | | |
| **(1) Shareholders' funds** | | | |
| (a) Share capital | A 01 | 6,00,00,000 | 6,00,00,000 |
| (b) Reserves and surplus | A 02 | 13,59,09,595 | 12,32,01,497 |
| **SUB TOTAL** | | 19,59,09,595 | 18,32,01,497 |
| **(2) Non-current liabilities** | | | |
| (a) Long-term provisions | A 03 | 17,78,320 | 14,19,710 |
| **SUB TOTAL** | | 17,78,320 | 14,19,710 |
| **(3) Current liabilities** | | | |
| (a) Short-term borrowings | A 04 | 2,00,000 | 2,00,000 |
| (b) Trade payables | A 05 | 4,92,269 | 3,70,072 |
| (c) Other current liabilities | A 06 | 4,84,082 | 2,76,168 |
| (d) Short-term provisions | A 07 | 15,43,303 | 18,21,784 |
| **SUB TOTAL** | | 27,19,654 | 26,68,024 |
| **TOTAL** | | 20,04,07,569 | 18,72,89,231 |
| **II. ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Fixed assets | | | |
| Tangible assets | A 08 | 18,41,238 | 20,19,083 |
| (b) Non-current investments | A 09 | 15,79,68,190 | 13,69,60,968 |
| (c) Deferred tax assets (Net) | A 10 | 5,23,325 | 3,09,366 |
| (d) Long term loans and advances | A 11 | 3,05,94,696 | 3,02,07,233 |
| **SUB TOTAL** | | 19,09,27,449 | 16,94,96,650 |
| **(2) Current assets** | | | |
| (a) Trade receivables | A 12 | 5,05,410 | 7,91,031 |
| (b) Cash and cash equivalents | A 13 | 64,44,339 | 57,94,957 |
| (c) Short-term loans and advances | A 14 | 25,30,114 | 96,02,019 |
| (d) Other current assets | A 15 | 257 | 16,04,574 |
| **SUB TOTAL** | | 94,80,120 | 1,77,92,581 |
| **TOTAL** | | 20,04,07,569 | 18,72,89,231 |
| Additional Notes | B | | |
| Significant Accounting Policies | C | | |

**AUDITOR'S REPORT**

As per our separate Report of even date attached

for V. P. ADITYA & CO.
Chartered Accountants
(FRN : 000542C)

(CA. UDAYAN MUKERJI)
*Partner*

Membership No. : 405900

Place : Kanpur
Dated : 24th May, 2014

S.N. TRIPATHI
*Company Secretary*

R. N. SINGH
CFO

DR. GAUR HARI SINGHANIA
*Chairman*
DR. K. B. AGARWAL
*Vice-Chairman*
PADAM KUMAR JAIN
Director
R. K. GUPTA
*Director*
G. D. MAHESHWARI
*Executive Director*



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in ₹

| Particulars | Note No. | Year Ended 31.03.2014 | Year Ended 31.03.2013 |
|---|---|---|---|
| A | B | C | D |
| I. Revenue from operations | A 16 | 74,14,150 | 1,02,31,335 |
| II. Other Income | A 17 | 1,16,86,505 | 1,04,17,708 |
| **III. Total Revenue (I + II)** | | 1,91,00,655 | 2,06,49,043 |
| **IV. Expenses :** | | | |
| Employee benefits expense | A 18 | 27,54,718 | 24,19,854 |
| Finance costs | A 19 | 17,379 | 20,646 |
| Depreciation and amortization expense | A 08 | 2,09,570 | 2,26,287 |
| Other expenses | A 20 | 30,65,372 | 30,49,543 |
| **Total Expenses** | | 60,47,039 | 57,16,330 |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | | 1,30,53,616 | 1,49,32,713 |
| VI. Profit before extraordinary items and tax | | 1,30,53,616 | 1,49,32,713 |
| VII. Profit before tax | | 1,30,53,616 | 1,49,32,713 |
| **VIII Tax expense :** | | | |
| (1) Current tax | | 6,24,262 | 9,19,041 |
| (2) Deferred tax (Net) | A 10 | (2,13,958) | (56,001) |
| **IX Profit/(Loss) for the period from continuing operations (VII-VIII)** | | 1,26,43,312 | 1,40,69,673 |
| **X Profit/(Loss) from Discontinuing operations (after tax)** | | 0 | 0 |
| **XI Profit/(Loss) for the period (IX + X)** | | 1,26,43,312 | 1,40,69,673 |
| **XII Earnings per equity share (Basic)** | A 21 | 2.11 | 2.34 |
| Additional Notes | B | | |
| Significant Accounting Policies | C | | |

**AUDITOR'S REPORT**

As per our separate Report of even date attached

for V. P. ADITYA & CO.
Chartered Accountants
(FRN : 000542C)

(CA. UDAYAN MUKERJI)
*Partner*

Membership No. : 405900

Place : Kanpur
Dated : 24th May, 2014

S.N. TRIPATHI
*Company Secretary*

R. N. SINGH
CFO

DR. GAUR HARI SINGHANIA
*Chairman*
DR. K. B. AGARWAL
*Vice-Chairman*
PADAM KUMAR JAIN
Director
R. K. GUPTA
*Director*
G. D. MAHESHWARI
*Executive Director*

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

( ₹ in Lacs)

| | As at 31.03.2014 | | As at 31.03.2013 | |
|---|---|---|---|---|
| **A. CASH FROM OPERATING ACTIVITIES :** | | | | |
| Net Profit after tax | | 126.43 | | 140.70 |
| Adjustment for :- | | | | |
| Add : (i) Non Cash Item, Depreciation | 2.10 | | 2.26 | |
| (ii) Provision for Income Tax | 6.24 | | 9.19 | |
| (iii) Provision for non performing assets | 2.23 | | 0.65 | |
| Less : (i) Dividend from Mutual Fund | (99.81) | | (101.53) | |
| (ii) Profit on Sale of Assets | (0.02) | | (0.00) | |
| (iii) Interest from Income Tax | (0.00) | | (0.02) | |
| (iv) Gain from Mutual Fund Units | (16.84) | | (2.41) | |
| (v) Deferred Tax | (2.14) | | (0.56) | |
| (vi) Excess Provision written back | (0.20) | (108.44) | 0.00 | (92.42) |
| Operating Profit before working capital changes | | 17.99 | | 48.28 |
| **Adjustments for Changes in Working Capital** | | | | |
| Add : (i) Increase in Provision for Gratuity | 2.20 | | 1.35 | |
| Add : (ii) Increase in Current Liabilities and Advances | 3.31 | | (1.45) | |
| Add : (iii) Decrease in Loan on Vehicles | 66.93 | | 76.37 | |
| Add : (iv) Decrease in Current Assets and Advances | 16.10 | 88.54 | (12.31) | 63.96 |
| Less : Advance Income Tax Paid | (6.32) | (6.32) | (9.00) | (9.00) |
| NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES (a) | | 100.21 | | 103.24 |
| **B. CASH FLOW FROM INVESTING ACTIVITIES :** | | | | |
| Add : (i) Dividend from Mutual Fund | 99.81 | | 101.53 | |
| (ii) Sale of Investments (Mutual Fund) | 216.35 | | 43.15 | |
| (iii) Sale of Fixed Assets | 0.11 | 316.27 | 0.00 | 144.68 |
| Less : (i) Purchase of Investment (Mutual Fund) | (409.58) | | (198.99) | |
| (ii) Purchase of Fixed Assets | (0.41) | (409.99) | (0.46) | (199.45) |
| NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES (b) | | (93.72) | | (54.77) |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** (c) | | Nil | | Nil |
| NET CASH (OUTFLOW)/INFLOW DURING THE PERIOD (a + b + c) | | 6.49 | | 48.47 |
| OPENING BALANCE OF CASH & CASH EQUIVALENTS | | 57.95 | | 9.48 |
| CLOSING BALANCE OF CASH & CASH EQUIVALENTS | | 64.44 | | 57.95 |

**AUDITOR'S REPORT**

As per our separate Report
of even date attached

for V. P. ADITYA & CO.
Chartered Accountants
(FRN : 000542C)

(CA. UDAYAN MUKERJI)
*Partner*
Membership No. : 405900
Place : Kanpur
Dated : 24th May, 2014

S.N. TRIPATHI
*Company Secretary*

R. N. SINGH
CFO

DR. GAUR HARI SINGHANIA
*Chairman*
DR. K. B. AGARWAL
*Vice-Chairman*
PADAM KUMAR JAIN
Director
R. K. GUPTA
*Director*
G. D. MAHESHWARI
*Executive Director*





## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS AS AT 31.03.2014

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **A 01) SHARE CAPITAL :** | | |
| (a) **Authorised :** | | |
| 1,00,00,000 Equity Shares of ₹ 10/- each | 10,00,00,000 | 10,00,00,000 |
| (b) **Issued, Subscribed & Fully Paid-up :** | | |
| 60,00,000 (60,00,000) Equity Shares of ₹ 10/- each fully paid-up in cash | 6,00,00,000 | 6,00,00,000 |
| TOTAL | 6,00,00,000 | 6,00,00,000 |

(c) As at the year end the following equity shareholders held more than five percent shares in the company :-

| Particulars | | As at 31.03.2014 | | As at 31.03.2013 | |
|---|---|---|---|---|---|
| S.No. | Name of the Shareholder | Number of Shares held | % of holding | Number of Shares held | % of holding |
| (i) | Shri K. B. Agarwal | 41,40,519 | 69.01 | 41,40,519 | 69.01 |

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **A 02) RESERVES & SURPLUS :** | | |
| (a) Capital Reserve | 2,52,323 | 2,52,323 |
| (b) General Reserve : | | |
| Opening Balance | 12,00,00,000 | 10,50,00,000 |
| Add : Transferred from Profit & Loss Account during the year | 1,25,00,000 | 1,50,00,000 |
| Sub Total | 13,25,00,000 | 12,00,00,000 |
| (c) Reserve for Deferred Tax | 1,63,816 | 1,63,816 |
| (d) Profit and Loss Account : | | |
| Opening Balance | 27,85,358 | 37,15,685 |
| Add: Excess Provision written back | 64,786 | 0 |
| Add : Surplus in the Statement of Profit and Loss Account | 1,26,43,312 | 1,40,69,673 |
| Amount available for appropriation | 1,54,93,456 | 1,77,85,358 |
| Less : Transferred to General Reserve | (1,25,00,000) | (1,50,00,000) |
| Sub Total | 29,93,456 | 27,85,358 |
| TOTAL (a+b+c+d) | 13,59,09,595 | 12,32,01,497 |

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **A 03) (i) LONG-TERM PROVISIONS :** | | |
| (a) Provision for Employees benefits | 14,82,496 | 12,62,101 |
| (b) Provision against Standard Assets | 73,118 | 92,824 |
| (c) Provision for Non Performing Assets | 2,22,706 | 64,785 |
| Total | 17,78,320 | 14,19,710 |

(ii) The Accounting Standard-15 "Employee benefits", prescribed by the Central Government, has become applicable to the company in its entirety as our company is listed Company.

In formulating the accounting policy regarding employee benefits, we were motivated by the fact that average number of employees during the financial year, were 19 i.e. less than 50.

In similar circumstances, unlisted companies have been permitted to calculate and account for the accrued liability under the head "Gratuity", by some other rational method. Provisions of The Payment of Gratuity Act, 1972 gives one such method. This is based on the assumption that such benefits are payable to all employees at the end of the accounting year.

The management still feels that the size of the company does not make it feasible to provide Gratuity by way of actuarial valuation. Hence, it decided to continue with the same accounting policy.

| | | | |
|---|---|---|---|
| **A 04)** | **SHORT TERM BORROWINGS :** | | |
| | Security deposits (interest bearing - Unsecured) | 2,00,000 | 2,00,000 |
| | **Total** | 2,00,000 | 2,00,000 |
| **A 05) (i)** | **TRADE PAYABLES :** | | |
| | (a) Miscellaneous Payable (Centre head) | 4,46,821 | 3,25,748 |
| | (b) Liabilities for Expenses | 45,448 | 44,324 |
| | **Total** | 4,92,269 | 3,70,072 |

(ii) The company has not received any memorandum (as required to be filed by the Suppliers with the notified authority under the Micro, small and medium Enterprises Development Act, 2006), claiming their status as Micro, small or medium enterprises. Consequently, the amount paid / payable to these parties during the year is Nil.

| | Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|---|
| **A 06)** | **OTHER CURRENT LIABILITIES :** | | |
| | (a) Tax deducted at Source (Payable) | 3,436 | 2,471 |
| | (b) Interest accrued on Security Deposit | 21,799 | 6,319 |
| | (c) Instalment received in advance from customer | 2,70,936 | 86,113 |
| | (d) Other Charges received in advance from customer | 1,36,761 | 1,36,761 |
| | (e) Miscellaneous Payable | 51,150 | 44,504 |
| | **Total** | 4,84,082 | 2,76,168 |
| **A 07)** | **SHORT TERM PROVISIONS :** | | |
| | (i) Others : Provision for Tax (MAT) | 15,43,303 | 18,21,784 |
| | **Total** | 15,43,303 | 18,21,784 |

(ii) Provision for Tax is made in accordance with the requirements of the Income Tax Act, 1961.

| | | | |
|---|---|---|---|
| **A 09)** | **NON CURRENT INVESTMENTS :** | | |
| | (i) Investments in mutual fund (Quoted) (Details as per annexure annexed) | 15,79,68,190 | 13,69,60,968 |
| | **Total** | 15,79,68,190 | 13,69,60,968 |

(ii) The net asset value of the investment in mutual fund as on 31.03.2014 is ₹ 16,15,28,966/- (Previous year ₹ 12,90,80,054/-)





## A 08. TANGIBLE ASSETS AND DEPRECIATION THEREON

| DESCRIPTION | | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS | Rate of Dep. | Cost as on 01.4.2013 ₹ | Additions/ Adjustments ₹ | Sales/ Adjustments ₹ | Total as on 31.3.2014 ₹ | Upto 31.3.2013 ₹ | Sales/ Adjustments ₹ | For the year ₹ | Total as on 31.3.2014 ₹ | As at 31.3.2014 ₹ | As at 31.3.2013 ₹ |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Land (Freehold) | | 670447 | — | — | 670447 | — | — | — | — | 670447 | 670447 |
| Office Building | 10.00 | 2407953 | — | — | 2407953 | 2070377 | — | 33757 | 2104134 | 303819 | 337576 |
| Plant & Equipment (Data Processing M/C) | 60.00 | 186850 | 36050 | — | 222900 | 156136 | — | 36068 | 192204 | 30696 | 30714 |
| Furniture & Fixture | 10.00 | 928254 | — | — | 928254 | 796976 | — | 13128 | 810104 | 118150 | 131278 |
| Vehicles | 15.00 | 1319959 | 3467 | 44340 | 1279086 | 632640 | 35278 | 102259 | 699621 | 579465 | 687319 |
| Office Equipment | 15.00 | 643896 | 1270 | — | 645166 | 482147 | — | 24358 | 506505 | 138661 | 161749 |
| Grand Total | | 6157359 | 40787 | 44340 | 6153806 | 4138276 | 35278 | 209570 | 4312568 | 1841238 | 2019083 |
| Previous Year Figures | | 6111109 | 46250 | 0 | 6157359 | 3911989 | 0 | 226287 | 4138276 | 2019083 | 0 |

## ANNEXURE TO NOTE NO. A 09

### LONG TERM TRADE INVESTMENT IN MUTUAL FUNDS

| NAME OF MUTUAL FUND | BALANCE AS ON 01.04.13 | | PURCHASE DURING THE YEAR | | SALES DURING THE YEAR | | BALANCE AS ON 31.03.14 | |
|---|---|---|---|---|---|---|---|---|
| | UNIT | AMOUNT (₹) | UNIT | AMOUNT (₹) | UNIT | AMOUNT (₹) | UNIT | AMOUNT (₹) |
| **EQUITY/ EQUITY ORIENTED FUND** | | | | | | | | |
| Birla Sun Life Infrastructure Fund - Dividend | 52876.364 | 800000 | | | | | 52876.364 | 800000 |
| Birla Sun Life Midcap Fund-Dividend | 5620.082 | 150000 | | | | | 5620.082 | 150000 |
| Birla Sun Life Dividend Yield Plus - Dividend | 98768.678 | 1500000 | | | | | 98768.678 | 1500000 |
| DSP BR Micro cap Fund - Dividend | 176073.564 | 1800000 | | | | | 176073.564 | 1800000 |
| DSP BR Small & Midcap Fund-Dividend | 81430.191 | 1350000 | | | | | 81430.191 | 1350000 |
| DSP BR Top 100 Equity Fund-Dividend | 18851.475 | 450000 | | | | | 18851.475 | 450000 |
| Franklin India Prima Fund-Dividend | 6154.112 | 300000 | | | | | 6154.112 | 300000 |
| HDFC Equity Fund - Dividend | 112787.043 | 3970383 | | | | | 112787.043 | 3970383 |
| HDFC Midcap Opp.Fund - Dividend | 120048.024 | 1800000 | | | | | 120048.024 | 1800000 |
| HDFC Top 200 Fund - Dividend | 85222.625 | 3311095 | | | | | 85222.625 | 3311095 |
| HSBC Equity Fund - Dividend | 15412.253 | 450000 | | | | | 15412.253 | 450000 |
| IDFC Premier Equity Fund - Dividend | 71905.018 | 1700000 | | | | | 71905.018 | 1700000 |
| Pramerica Dynamic Asset Allocation Fund - Div. | 100000.000 | 1000000 | | | | | 100000.000 | 1000000 |
| Principal Emerging Bluechip Fund - Dividend | 27758.737 | 650000 | | | | | 27758.737 | 650000 |
| ICICI Prudential Dynamic Plan - Dividend | 156970.437 | 3382361 | | | | | 156970.437 | 3382361 |
| ICICI Prudential Midcap Fund - Dividend | 114160.141 | 2560488 | | | | | 114160.141 | 2560488 |
| ICICI Prudential Top 100 Fund - Dividend | 78354.554 | 1600000 | | | | | 78354.554 | 1600000 |
| ICICI Prudential Top 200 Fund - Dividend | 99538.331 | 2232721 | | | | | 99538.331 | 2232721 |
| Reliance Diversified Power Sector Fund - Dividend | 18761.826 | 950000 | | | | | 18761.826 | 950000 |
| Reliance Equity Opportunities Fund - Dividend | 259498.536 | 5485459 | | | | | 259498.536 | 5485459 |
| Reliance Growth Fund - Dividend | 237262.816 | 13090397 | | | | | 237262.816 | 13090397 |
| Reliance Regular Saving Fund - Equity - Dividend | 23042.852 | 453592 | | | | | 23042.852 | 453592 |
| Reliance Vision Fund - Dividend | 69531.864 | 3063455 | | | | | 69531.864 | 3063455 |
| SBI Magnum Global Fund - Dividend | 249226.906 | 6312402 | | | | | 249226.906 | 6312402 |
| SBI Magnum Multiplier Plus -Dividend | 45787.849 | 2203324 | | | | | 45787.849 | 2203324 |
| SBI MSFU - Contra - Dividend | 182674.880 | 3996850 | | | | | 182674.880 | 3996850 |
| Sundarum Select Midcap - Dividend | 159507.107 | 3300000 | | | | | 159507.107 | 3300000 |
| Sundarum Smile Fund - Dividend | 21613.981 | 300000 | | | | | 21613.981 | 300000 |
| Tata Infrastructure Fund - Dividend | 54227.138 | 1400000 | | | | | 54227.138 | 1400000 |
| Tata Ethical Fund - Dividend | 152324.504 | 5076123 | | | | | 152324.504 | 5076123 |
| Templeton India Growth Fund - Dividend | 14548.652 | 650000 | | | | | 14548.652 | 650000 |
| UTI Mid Cap Fund - Dividend | 73731.229 | 1950000 | | | | | 73731.229 | 1950000 |
| **TOTAL EQUITY/ EQUITY ORIENTED FUND** | **2983671.769** | **77238650** | **0.000** | **0.00** | **0.000** | **0.00** | **2983671.769** | **77238650** |
| **BALANCE FUNDS** | | | | | | | | |
| FT India Balance Fund - Dividend | 69918.118 | 1350000 | | | | | 69918.118 | 1350000 |
| HDFC Balance Fund - Dividend | 95938.288 | 1651644 | | | | | 95938.288 | 1651644 |
| HDFC Prudence Fund - Dividend | 277299.741 | 8036313 | | | | | 277299.741 | 8036313 |
| Kotak Balance Fund - Dividend | 353540.327 | 7800000 | | | | | 353540.327 | 7800000 |
| ICICI Prudential Balance Fund - Dividend | 425290.686 | 6824467 | | | | | 425290.686 | 6824467 |
| SBI Magnum Balance Fund - Dividend | 226425.216 | 5102451 | | | | | 226425.216 | 5102451 |
| Tata Balance Fund - Dividend | 99003.484 | 3800000 | | | | | 99003.484 | 3800000 |
| **TOTAL BALANCE FUNDS** | **1547415.860** | **34564875** | **0.000** | **0** | **0.000** | **0** | **1547415.860** | **34564875** |
| **LIQUID FUNDS / DEBT FUND** | | | | | | | | |
| Birla Sun Life Dynamic Bond Fund- Retail - Growth | 168949.622 | 3160000 | | | 168949.622 | 3160000 | 0.000 | 0 |
| Birla Sun Life Interval Income Fund - Qty Sr-1 Growth | 30741.928 | 440000 | | | | | 30741.928 | 440000 |
| Birla Sun Life Interval Income Fund - Ann-IX- Growth | 0.000 | 0 | 20000.000 | 200000 | | | 20000.000 | 200000 |
| Birla Sun Life Short Term Opp.-Fund - Growth | 90360.976 | 1600000 | | | | | 90360.976 | 1600000 |
| Birla Sun Life Floating Rate Fund - STP - Growth | | | 14627.094 | 2416977 | 14627.094 | 2416977 | 0.000 | 0 |
| ICICI Prudential Flexible Income Plan Reg-Growth | 6445.944 | 760000 | | | 6445.944 | 760000 | 0.000 | 0 |
| IDBI Liquid Fund - Growth | 772.255 | 900000 | | | 772.255 | 900000 | 0.000 | 0 |
| IDFC Dynamic Bond Fund - Growth | 373094.315 | 5200000 | 662736.616 | 9493065 | 37206.257 | 500000 | 998624.674 | 14193065 |
| IDFC Money Manager -Treasury Plan A-Growth | 152063.865 | 2462449 | | | 152063.865 | 2462449 | 0.000 | 0 |
| IDFC Ultra Short Term- Growth | 32560.775 | 500000 | 59738.411 | 1000000 | | | 92299.186 | 1500000 |
| Kotak Bond - Deposit - Growth | 16892.406 | 500000 | | | 16892.406 | 500000 | 0.000 | 0 |
| Principal Income Fund - Short Term Plan -Growth | 30698.637 | 570000 | | | | | 30698.637 | 570000 |
| Reliance Dynamic Bond Fund- Growth | 19155.742 | 300000 | 121187.969 | 2004987 | 19155.742 | 300000 | 121187.969 | 2004987 |
| Reliance Medium Term Fund - Growth | 21767.618 | 500000 | | | 21767.618 | 500000 | 0.000 | 0 |
| Reliance Money Manager Fund - Retail - Growth | 664.360 | 900000 | | | 664.360 | 900000 | 0.000 | 0 |
| Reliance Liquid Fund Treasury Plan- Growth | 338.025 | 864994 | | | 338.025 | 864994 | 0.000 | 0 |
| SBI Dynamic Bond Fund - Growth | 139414.321 | 2000000 | 19339.617 | 300000 | 78075.358 | 1100000 | 80678.580 | 1200000 |
| SBI Magnum Income Fund - Growth | 62843.335 | 1800000 | 13058.709 | 400000 | 17896.900 | 500000 | 58005.144 | 1700000 |
| Tata Dynamic Bond Fund Plan-A- Growth | 0 | 0 | 84184.701 | 1500000 | | | 84184.701 | 1500000 |
| UTI Dynamic Bond Fund- Growth | 181415.752 | 2200000 | | | 181415.752 | 2200000 | 0.000 | 0 |
| UTI Treasury Advantage Fund - Inst. Plan - Growth | | | 1419.906 | 2386399 | 1419.906 | 2386399 | 0.000 | 0 |
| Templeton India USBF Super Inst. Plan- Growth | | | 63567.518 | 1000000 | | | 63567.518 | 1000000 |
| **TOTAL LIQUID / DEBT FUNDS** | **1328179.876** | **24657443** | **1059860.541** | **20701428** | **717691.104** | **19450819** | **1670349.313** | **25908052** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **FIXED MATURITY PLANS** | | | | | | | | |
| Axis Fixed Term Plan Series 41(546 Days) -Growth | | | 30000.000 | 300000.00 | | | 30000.000 | 300000 |
| Birla Sun Life Fixed Term Plan Series JE -Growth | | | 272532.000 | 2725320.00 | | | 272532.000 | 2725320 |
| Birla Sun Life Fixed Term Plan Series IA -Growth | | | 10000.000 | 100000.00 | | | 10000.000 | 100000 |
| Birla Sun Life Fixed Term Plan Series IG -Growth | | | 30000.000 | 300000.00 | | | 30000.000 | 300000 |
| Birla Sun Life Fixed Term Plan Series HI -Growth | | | 60000.000 | 600000.00 | | | 60000.000 | 600000 |
| Birla Sun Life Fixed Term Plan Series HM -Growth | | | 40000.000 | 400000.00 | | | 40000.000 | 400000 |
| Birla Sun Life Fixed Term Plan Series JQ -Growth | | | 25000.000 | 250000.00 | | | 25000.000 | 250000 |
| Birla Sun Life Fixed Term Plan Series KB -Growth | | | 106983.000 | 1069830.00 | | | 106983.000 | 1069830 |
| DSP BR FMP Series 107-12M -Growth | | | 50000.000 | 500000.00 | | | 50000.000 | 500000 |
| DSP BR FMP Series 37-14M -Growth | | | 50000.000 | 500000.00 | | | 50000.000 | 500000 |
| HDFC FMP 371 D February 2014 (2) - Growth | | | 40000.000 | 400000.00 | | | 40000.000 | 400000 |
| HDFC FMP 370 D March 2014 (1) - Growth | | | 50000.000 | 500000.00 | | | 50000.000 | 500000 |
| ICICI Pru.FMP Series 72 -368Days Plan-A -Growth | | | 90204.000 | 902040.00 | | | 90204.000 | 902040 |
| IDBI FMP-Series IV-366 D(FEB. 2014)-E-Growth | | | 63199.143 | 631991.00 | | | 63199.143 | 631991 |
| IDFC Fixed Maturity PI-366 Day Service-78- Growth | 50000.000 | 500000 | | | 50000.000 | 500000 | 0.000 | 0 |
| IDFC Fixed Term Plan Series 52 - Growth | | | 90000.000 | 900000.00 | | | 90000.000 | 900000 |
| IDFC Fixed Term Plan Series 88 - Growth | | | 210000.000 | 2100000.00 | | | 210000.000 | 2100000 |
| Kotak FMP Series 132 - Growth | | | 53433.000 | 534330.00 | | | 53433.000 | 534330 |
| Reliance FHF - XXIV - Series 4 - Growth | | | 60000.000 | 600000.00 | | | 60000.000 | 600000 |
| Reliance FHF - XXIV - Series 18 - Growth | | | 30000.000 | 300000.00 | | | 30000.000 | 300000 |
| Reliance FHF - XXV - Series 13 - Growth | | | 56432.114 | 564321.00 | | | 56432.114 | 564321 |
| Reliance FHF - XXV - Series 24 - Growth | | | 31045.712 | 310457.00 | | | 31045.712 | 310457 |
| SBI Debt Fund Series 366 Days 47- Growth | | | 50000.000 | 500000.00 | | | 50000.000 | 500000 |
| SBI Debt Fund Series 366 Days 49- Growth | | | 167330.294 | 1673303.00 | | | 167330.294 | 1673303 |
| TATA Fixed Maturity Plan Series 43 Sch A- Growth | | | 60000.000 | 600000.00 | | | 60000.000 | 600000 |
| TATA Fixed Maturity Plan Series 44 Sch B- Growth | | | 10000.000 | 100000.00 | | | 10000.000 | 100000 |
| TATA Fixed Maturity Plan Series 44 Sch D- Growth | | | 50000.000 | 500000.00 | | | 50000.000 | 500000 |
| UTI Fixed Term Income Fund Series VXII -II -Growth | | | 239502.076 | 2395021.00 | | | 239502.076 | 2395021 |
| **TOTAL FIXED MATURITY PLANS** | 50000.000 | 500000 | 2025661.339 | 20256613 | 50000.000 | 500000 | 2025661.339 | 20256613 |
| **GRAND TOTAL** | 5909267.505 | 136960968 | 3085521.880 | 40958041 | 767691.104 | 19950819 | 8227098.281 | 157968190 |





**A10) DEFERRED TAX ASSETS / (LIABILITIES) (NET) :**

(a) Deferred tax is calculated and determined in accordance with the requirements of Accounting Standard - 22 "Accounting for Taxes on Income" and is subject to the concept of prudence, on timing difference being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are reviewed for their carrying values at each balance sheet date and recognised only if there is 'reasonable certainty' that they will be realised in future. As at 31.03.2014 the recognised deferred tax liability/asset is as follows:-

(b) **Deferred Tax Liability :**

The Break-up of deferred tax liability into major components as on 31.03.2014 is as follows :

| Particulars | 31.03.2014 | | 31.03.2013 | |
|---|---|---|---|---|
| | Total ₹ | Deferred Tax Impact ₹ | Total ₹ | Deferred Tax Impact ₹ |
| Timing difference on depreciation for the year | 221328 | 68390 | 260914 | 80623 |
| Total | 221328 | 68390 | 260914 | 80623 |

(c) **Deferred Tax Assets :**

The Break-up of deferred tax assets into major components as on 31.03.2014 is as follows :

| Particulars | 31.03.2014 | | 31.03.2013 | |
|---|---|---|---|---|
| | Total ₹ | Deferred Tax Impact ₹ | Total ₹ | Deferred Tax Impact ₹ |
| (i) Gratuity | 1482496 | 458091 | 1262101 | 389989 |
| (ii) Long Term Capital Loss C/F | 432440 | 133624 | 0 | 0 |
| Total | 1914936 | 591715 | 1262101 | 389989 |

(d) Net Deferred Tax Assets/(Liability) ₹ **523325/-** (Previous Year ₹ 309366/-)

(e) The net deferred tax recognized in the profit and loss account ₹ 213958/- (Previous year ₹ 56001/-)

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **A 11) (i) LONG TERM LOANS AND ADVANCES :** | | |
| (a) Loan on vehicle (Secured by hypothecation of vehicles) | 3,05,69,496 | 3,01,82,033 |
| (b) Other advances (Security Deposit with KESCO LTD.) | 25,200 | 25,200 |
| Total | 3,05,94,696 | 3,02,07,233 |

(ii) Balance in some accounts of long term loans and advances is subject to confirmation.

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **A 12) (i) TRADE RECEIVABLES :** | | |
| Interest on loan receivable | 5,05,410 | 7,91,031 |
| **Total** | 5,05,410 | 7,91,031 |

(ii) Balance in some accounts of trade receivables is subject to confirmation.

(iii) All trade receivables are outstanding for a period less than six months from the date they are due for payment. Also, no debts are due by directors or any other officers of the company either severally or jointly.

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **A 13) CASH AND CASH EQUIVALENTS :** | | |
| (a) Cash in hand | 49,564 | 4,05,345 |
| (b) Balances with scheduled banks : In current account | 63,94,775 | 53,89,612 |
| **Total** | 64,44,339 | 57,94,957 |

(c) There are no bank deposits with more than 12 months maturity.

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **A 14) (i) SHORT TERM LOANS AND ADVANCES :** | | |
| (a) Advance Income Tax | 17,16,519 | 19,87,504 |
| (b) Loan on vehicle (Secured by hypothecation of vehicles) | 8,00,242 | 75,95,410 |
| (c) Prepaid expenses (to the extent not written-off) | 13,353 | 19,105 |
| **Total** | 25,30,114 | 96,02,019 |

(ii) Balance in some accounts of short term loans and advances is subject to confirmation

| Particulars | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
|---|---|---|
| **A 15) OTHER CURRENT ASSETS :** | | |
| (a) Dividend Receivable | 0 | 15,73,234 |
| (b) Income Tax Refund Receivable | 257 | 31,340 |
| **Total** | 257 | 16,04,574 |





| Particulars | Year ended 31.03.2014 ₹ | Year ended 31.03.2013 ₹ |
|---|---|---|
| **A 16) REVENUE FROM OPERATIONS :** | | |
| (a) Interest | 69,93,492 | 97,28,034 |
| (b) Other financial services | | |
| (i) Interest (TDS NIL Last year NIL) | 53,358 | 65,576 |
| (ii) Processing charges | 3,67,300 | 4,37,725 |
| **(b) Sub Total** | 4,20,658 | 5,03,301 |
| **Grand Total (a+b)** | 74,14,150 | 1,02,31,335 |
| **A 17) OTHER INCOME :** | | |
| (i) Dividend Income | 99,80,511 | 1,01,52,538 |
| (ii) Net gain / loss on sale of investments | 16,83,958 | 2,41,171 |
| (iii) Other non-operating income (net of expenses) | | |
| (a) Balance written back | 442 | 367 |
| (b) Excess Provision Written Back | 19,706 | 21,862 |
| (c) Profit on sale of Assets | 1,888 | 0 |
| **Sub Total** | 22,036 | 22,229 |
| (iv) Interest received from Income Tax | 0 | 1,770 |
| **Total [(i)+(ii)+(iii)+(iv)]** | 1,16,86,505 | 1,04,17,708 |
| **Grand Total (16+17)** | 1,91,00,655 | 2,06,49,043 |
| **A 18) EMPLOYEE BENEFITS EXPENSES :** | | |
| (a) Salaries expenses | 19,71,402 | 17,79,981 |
| (b) Bonus / Ex-Gratia | 1,23,620 | 1,11,670 |
| (c) Contribution to Provident Fund | 99,264 | 87,186 |
| (d) Employees Pension Fund | 78,744 | 73,522 |
| (e) Administrative Expenses & Insurance to P.F. | 23,878 | 21,562 |
| (f) Gratuity | 2,20,395 | 1,35,215 |
| (g) Leave Encashment | 1,61,296 | 1,40,109 |
| (h) Staff welfare expenses | 76,119 | 70,609 |
| **Total (a to h)** | 27,54,718 | 24,19,854 |
| **A 19) FINANCE COSTS :** | | |
| Interest Expenses | 17,379 | 20,646 |
| **Total** | 17,379 | 20,646 |

| Particulars | Year ended 31.03.2014 ₹ | Year ended 31.03.2013 ₹ |
|---|---|---|
| **A 20) OTHER EXPENSES :** | | |
| (i) Conveyance Expenses | 6,89,168 | 6,14,364 |
| (ii) Power and Fuel | 3,23,255 | 2,55,298 |
| (iii) Directors Sitting Fee | 21,000 | 19,000 |
| (iv) Rates & Taxes excluding taxes on Income | 37,348 | 35,675 |
| (v) Repairs to Building | 0 | 24,645 |
| (vi) Repairs to Machinery | 99,383 | 1,10,060 |
| (vii) Insurance | 11,909 | 10,897 |
| (viii) Payment to the Auditors | | |
| (a) As Auditors | 25,000 | 25,000 |
| (b) For Taxation matters | 5,000 | 5,000 |
| (ix) Miscellaneous Expenses | 6,64,543 | 7,05,457 |
| (x) Donations | 5,00,000 | 5,00,000 |
| (xi) Service Charges | 1,70,300 | 2,05,125 |
| (xii) Recovery Charges | 2,46,348 | 3,27,351 |
| (xiii) Provision required by prudential norms | 2,22,706 | 64,785 |
| (xiv) Professional Charges | 49,412 | 1,46,886 |
| Total { (i) to (xiv) } | 30,65,372 | 30,49,543 |

**A 21) EARNING PER SHARE :**

(i) Annualised earning per equity share has been calculated on the net profit (after taxation) of ₹ 1,26,43,312/- (previous year ₹ 1,40,69,673/-) taken as the numerator divided by number of equity shares 60,00,000 (previous year 60,00,000) taken as the denominator.

| Particulars | Year ended 31.03.2014 ₹ | Year ended 31.03.2013 ₹ |
|---|---|---|
| Basic Earning per share | 2.11 | 2.34 |
| Total | 2.11 | 2.34 |

(ii) There are no diluted earning per share in the company

**(B) ADDITIONAL NOTES :**

(i) (a) The company follows the Reserve Bank Of India guidelines applicable to Non Banking Financial. Companies regarding assets classification, provisioning and income recognition on non performing assets and accounting for Investments.

(b) Information required to be disclosed in terms of paragraph 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank ) Directions , 2007 is as under :-





**NOTE TO THE BALANCE SHEET OF A NON DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY**
{as required in the terms of Paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007}

₹ in Lacs

| PARTICULARS | Amount outstanding | Amount overdue |
|---|---|---|
| **LIABILITIES SIDE :** | | |
| 1. **Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :** | | |
| (a) Debentures : Secured | NIL | NIL |
| : Unsecured (other than falling within the meaning of public deposits) | NIL | NIL |
| (b) Deferred Credits | NIL | NIL |
| (c) Term Loans | NIL | NIL |
| (d) Inter-corporate loans and borrowing | NIL | NIL |
| (e) Commercial Paper | NIL | NIL |
| (f) Other Loans (specify nature) | NIL | NIL |

*** Please see Note 1 below.**

₹ in Lacs

| PARTICULARS | Amount outstanding | |
|---|---|---|
| **ASSETS SIDE :** | | |
| 2. Break-up of Loans & Advances including bills receivable (other than those included in (4) below : | | |
| (a) Secured | NIL | |
| (b) Unsecured | 17.55 | 17.55 |
| 3. Break-up of Leased Assets and Stock on hire and other Assets counting towards AFC activities : | | |
| (i) Lease assets including lease rentals under sundry debtors : | | |
| (a) Financial Lease | NIL | |
| (b) Operating Lease | NIL | NIL |
| (ii) Stock on hire including hire charges under sundry debtors : | | |
| (a) Assets on hire | NIL | |
| (b) Repossessed Assets | NIL | NIL |
| (iii) Other loans counting towards AFC activities : | | |
| (a) Loans where assets have been repossessed | NIL | |
| (b) Loans other than (a) above | 318.75 | 318.75 |

4. **Break-up of Investments :**

| | | |
|---|---|---|
| **Current Investments :** | | |
| (1) **Quoted :** | | |
| (i) Shares : (a) Equity | NIL | |
| (b) Preference | NIL | |
| (ii) Debentures and Bonds | NIL | |
| (iii) Units of Mutual Funds | NIL | |
| (iv) Government Securities | NIL | |
| (v) Others (please specify) | NIL | NIL |
| (2) **Unquoted :** | | |
| (i) Shares : (a) Equity | NIL | |
| (b) Preference | NIL | |
| (ii) Debentures and Bonds | NIL | |
| (iii) Units of Mutual Funds | NIL | |
| (iv) Government Securities | NIL | |
| (v) Others (please specify) | NIL | NIL |
| **Long Term Investments :** | | |
| (1) **Quoted :** | | |
| (i) Shares : (a) Equity | NIL | |
| (b) Preference | NIL | |
| (ii) Debentures and Bonds | NIL | |
| (iii) Units of Mutual Funds | 1579.68 | |
| (iv) Government Securities | NIL | |
| (v) Others (please specify) | NIL | 1579.68 |
| (2) **Unquoted :** | | |
| (i) Shares : (a) Equity | NIL | |
| (b) Preference | NIL | |
| (ii) Debentures and Bonds | NIL | |
| (iii) Units of Mutual Funds | NIL | |
| (iv) Government Securities | NIL | |
| (v) Others (please specify) | NIL | NIL |

5. **Borrower group-wise classification of Assets financed as in (2) and (3) above : Please see Note 2 below**

₹ in Lacs

| CATEGORY | Amount net of provisions | | |
|---|---|---|---|
| | Secured | Unsecured | Total |
| (1) **Related Parties**** | | | |
| (a) Subsidiaries | NIL | NIL | NIL |
| (b) Companies in the same group | NIL | NIL | NIL |
| (c) Other related parties | NIL | NIL | NIL |
| (2) **Other than Related Parties** | 318.75 | 17.55 | 336.30 |
| **Total** | 318.75 | 17.55 | 336.30 |





6. **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**
Please see Note 3 below

₹ in Lacs

| CATEGORY | Market Value/Break-up / fair Value / NAV | Book Value (Net of Provisions) |
|---|---|---|
| (i) **Related Parties**** | | |
| (a) Subsidiaries | NIL | NIL |
| (b) Companies in the same group | NIL | NIL |
| (c) Other related parties | NIL | NIL |
| (ii) **Other than Related Parties** | 1615.29 | 1579.68 |
| **Total** | 1615.29 | 1579.68 |

**As per Accounting Standard of ICAI (Please see Note 3)

7. **Other Information :**

₹ in Lacs

| PARTICULARS | | Amount |
|---|---|---|
| (i) **Gross Non-performing assets :** | | |
| (a) Related Parties | NIL | |
| (b) Other than related parties | 21.02 | 21.02 |
| (ii) **Net Non-performing Assets :** | | |
| (a) Related Parties | NIL | |
| (b) Other than related parties | 18.79 | 18.79 |
| (iii) Assets acquired in satisfaction of debt | NIL | NIL |

**NOTES :**

1. As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance, of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (non deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up/fair value/NAV in respect of unquoted investments has been disclosed irrespective of whether they are classified as long term or current in column (4) above.

B (ii) In the financial year 2013-14, the Company has operated in only one business segment, hence compliance of AS-17 regarding "Segment Reporting" is not necessary.

B (iii) **Related party transactions :**
There are no related party 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.

B (iv) **CONTINGENT LIABILITIES :**

| CONTINGENT LIABILITY NOT PROVIDED FOR | (2013-14) | (2012-13) |
|---|---|---|
| Claims against the Company not acknowledged as debt | ₹ NIL | ₹ NIL |

B (v) The figures have been rounded off to the nearest rupee.

B (vi) Last year's figures have been regrouped and re-arranged wherever necessary to conform to the figures of the current year.

### (C) SIGNIFICANT ACCOUNTING POLICIES

**(a) VALUATION :-**

i. Fixed Assets are valued at cost.
ii. Non-current investments are valued at cost.
iii. Current investments are valued at lower of cost or fair value.
iv. Stock on Hire are valued at Cost less Capital recovery.

**(b) PHYSICAL VERIFICATION :-**

i. Fixed Assets in use of the Company are physically verified once in every year.
ii. Physical verification of stock on hire is carried out on test check basis.

**(c) DEPRECIATION :-**

i. In respect of own Assets, Depreciation is provided on written down value as per the rates prescribed under the Income Tax Act, 1961.
ii. In respect of Leased Assets, depreciation is provided on Straight Line Method in accordance with the Section 205(2)(b) of the Companies Act, 1956.

**(d) REVENUE RECOGNITION :-**

i. All income & expenses are accounted for on accrual basis, except otherwise stated.
ii. Interest on overdue instalments and dividend on shares of corporate bodies and units of mutual funds are accounted for on certainty of the realisation.
iii. The Company has followed the prudential norms for Income recognition and provisioning for non-performing assets as prescribed by the Reserve Bank of India for non-banking financial companies.

**(e) EARNING PER SHARE :-**

The Company reports earnings per share in accordance with AS-20.

**(f) EMPLOYEE BENEFITS :-**

i. Provisions for Retirement benefits for Gratuity are made as per the payment of Gratuity Act, 1972.
ii. Leave Encashment is accounted as per Service Rules and charged to the P&L Account.
iii. Contribution to Provident Fund is recognised when due.

**(g) INTANGIBLE ASSETS :-**

The Company recognise intangible assets in accordance with AS 26.

**(h) IMPAIRMENT OF ASSETS :-**

An asset is impaired if there are sufficient indication that the carrying cost would exceed the recoverable amount of cash generating assets. In that event an impairment loss so computed would be recognised in the accounts in the relevant year.

**AUDITOR'S REPORT**

As per our separate Report
of even date attached

for V. P. ADITYA & CO.
Chartered Accountants
(FRN : 000542C)

(CA. UDAYAN MUKERJI)
*Partner*
Membership No. : 405900

Place : Kanpur
Dated : 24th May, 2014

S.N. TRIPATHI
*Company Secretary*

R. N. SINGH
CFO

DR. GAUR HARI SINGHANIA
*Chairman*
DR. K. B. AGARWAL
*Vice-Chairman*
PADAM KUMAR JAIN
*Director*
R. K. GUPTA
*Director*
G. D. MAHESHWARI
*Executive Director*





## KEY CORP LIMITED

CIN : L65921UP1985EL0007547
**Regd. Office : 16/16-A, Civil Lines, Kanpur - 208 001.**

**ATTENDANCE SLIP**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional slip at the venue of the meeting.

| | |
|---|---|
| DP ID* | |
| Client ID* | |

| | |
|---|---|
| Folio No. | |
| No. of Shares | |

Name and Address of the Shareholder............................................................
.................................................. I hereby record my presence at the 28th ANNUAL GENERAL MEETING of the Company held on Saturday August 23, 2014 at 10.00 a.m. at the Registered Office of the Company at 16/16A, Civil Lines, Kanpur.

*Applicable for invertors holding shares in electronic form.

..........................................
Signature of Shareholder/proxy

— — — — PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP AT THE MEETING— — — — — -

## KEY CORP LIMITED

CIN : L65921UP1985EL0007547
**Regd. Office : 16/16-A, Civil Lines, Kanpur - 208 001.**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)..........................................................
Registered Office..........................................................
..........................................................

e-mail Id..........................................................
Folio No/*Client Id..........................................................
*DP Id..........................................................

I/We, being the member(s) of...:.............................................shares of Key Corp Limited, hereby appoint :
1)..........................................of..........................having e-mail id..........................................or failing him..........................
2)..........................................of..........................having e-mail id..........................................or failing him..........................
3)..........................................of..........................having e-mail id..........................................................

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Saturday 23rd August 2014 at 10.00 a.m. at the Registered Office of the Company at 16/16A, Civil Lines, Kanpur-208 001 and at my adjournment thereof in respect of such resolutions as are indicated below :

** I wish my above Proxy to vote in the manner as indicated in the box below :

| Resolution : | For | Against |
|---|---|---|
| 1. Audited Financial Statement, Reports of the Board of Directors and Auditors | | |
| 2. Re-appointment of Dr. B.D. Agarwal who retires by rotation. | | |
| 3. Appointment of Auditors and fixing their remuneration. | | |
| 4. Appointment of Dr. Gaur Hari Singhania as an Independent Director. | | |
| 5. Appointment of Shri Padam Kumar Jain as an Independent Director. | | |
| 6. Appointment of Shri Raj Kumar Gupta as an Independent Director. | | |

Signed this..............................day of..............................2014

..........................................
Signature of shareholder

.......................................... Signature of first proxy holder
.......................................... Signature of second proxy holder
.......................................... Signature of third proxy holder

Notes : 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hrs. before the commencement of the meeting. 2. A proxy need not be a member of the Company. 3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders. **4 This is only optional. Please out a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate. 5. Appointing a proxy does not prevent member from attending the meeting in person if he so wishes. 6. In the case of joint the holders, the signature of any one holder will be sufficient, but name of all the joint holders should be stated.