

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



24<sup>th</sup>  
ANNUAL REPORT 2009-2010



**TWENTY FOURTH ANNUAL REPORT 2009-2010**

**BOARD OF DIRECTORS**

Surendrakumar Banthia  
Sushil Mantri  
Manish Banthia

Chairman  
Director  
Whole Time Director

**AUDITORS**

M/s. Paresh D. Shah & Co.  
Chartered Accountants

**BANKERS**

Oriental Bank of Commerce  
HDFC Bank

**REGISTERED OFFICE**

11, Camac Street,  
Kolkata 700 017.

**CORPORATE OFFICE**

3, Surya Mahal, 3rd Floor,  
Nagindas Master Road,  
Fort, Mumbai - 400 023.

**REGISTRAR & SHARE TRANSFER AGENTS**

Sharex Dynamic (India) Private Limited  
17/B, Dena Bank Building, 2nd Floor,  
Horniman Circle, Fort, Mumbai - 400 001.  
Tel. : 22702485 / 22641376  
Fax : 22641349  
E-mail : sharexindia@vsnl.com

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



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Annual General Meeting of the Company will held on Thursday, 30th September, 2010 at the registered office of the Company at 11.00 Noon, Camac Street, Kolkata 700 017.

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



## NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of **THE FIRST CUSTODIAN FUND (INDIA) LIMITED** will be held on Thursday, 30<sup>th</sup> September, 2010 at the Registered Office of the Company at 11, Camac Street, Kolkata 700 017 at 11.00 AM.

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010, Audited Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Manish Banthia who retires by rotation and being eligible offers himself for re-appointment.
- 3) To re-appoint Statutory Auditors of the Company and to fix their remuneration.

By Order of the Board of Directors  
For **THE FIRST CUSTODIAN FUND (INDIA) LTD.**

Registered Office :  
11, Camac Street,  
Kolkata 700 017,  
Place: Kolkata  
Date: 31st May 2010

Sd/-  
Sushil Mantri  
Director

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED ALONG WITH THIS NOTICE.
2. The Proxy Form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. For the convenience of the shareholders, Attendance Slip is annexed to this notice. Shareholders/ Proxy Holders are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Saturday, 25<sup>th</sup> September, 2010 to Thursday, 30<sup>th</sup> September, 2010 (both the days inclusive).
5. Corporate Members intending to send their authorized representatives at the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their depositories to the company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
8. Members are requested to immediately notify any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Secretarial department at the Registered Office of the company or to the Registrar and Transfer Agents in respect of their holding in physical form.
9. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report.

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



## DIRECTOR'S REPORT

To  
The Members,

Your Directors present herewith the Twenty Fourth Annual Report of your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

### 1. FINANCIAL RESULTS (Rs. in Lacs)

	Year Ended 31/03/2010	Year Ended 31/03/2009
Gross Income	65.39	47.75
Total Expenditure	27.36	43.43
Interest Expenses	1.43	1.89
Gross Profit	36.60	2.63
Depreciation	2.17	4.01
Profit / (Loss) Before Tax	34.43	(1.38)
Less : Income Tax	2.50	0.60
Less : Fringe Benefit Tax	-	0.20
Less/Add : Deferred Tax	0.09	0.29
Less : Income Tax Paid - W/ Off	31.84	(2.47)
Net Profit / (Loss) After Tax	675.53	678.02
Add : Profit brought forward from previous year		
<b>APPROPRIATIONS</b>	<b>707.37</b>	<b>675.53</b>
Profit Carried Forward to Balance Sheet		

### 2. DIVIDEND

Your Directors do not recommend dividend for the financial year ended 31<sup>st</sup> March, 2010, in order to conserve the resources of the Company.

### 3. OPERATIONS

The Company has earned Rs. 65.39 Lacs from Secondary Market Operations, The Company hopes to achieve good result in facing unforeseen circumstances.

### 4. DIRECTORS

Mr. Manish Banthia retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

### 5. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosures in terms of Section 217(1)(g) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, (Referred to as the rules) are as follows:

#### A. Conservation of Energy:

**The Company is not engaged in any manufacturing activity.**

Hence, the Company has not taken any energy conservation measures. There are no additional investments and proposals, for reduction of consumption of energy. The Company does not fall within the category of list of industries mentioned in Schedule forming part of the rules. Hence, no disclosures are required to be given in Form A as annexed to the rules.

#### B. Technology Absorption:

**The Company has not deployed any Research and Development facility or absorbed any technology.**

Hence, no disclosures are required to be given in Form B as annexed to the rules.

#### C. Foreign Exchange Earning and Outgo:

Foreign Exchange Earnings/Outgo: **Rs. in Millions**

Foreign Exchange Earned

Foreign Exchange Outgo



Note: The Company has not engaged into any activities relating to exports.

6. **FIXED DEPOSITS**  
The Company has not accepted any deposits from the public.
7. **PARTICULARS OF EMPLOYEES**  
Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended is not given as there was no employee drawing salary as per the limits mentioned in the said Section and Rules.
8. **LISTING OF EQUITY SHARES**  
The Company's equity shares are listed on the Bombay Stock Exchange. The Company has paid listing fees for the year ended 2009-10 with the Exchange.
9. **DIRECTORS RESPONSIBILITY STATEMENT**  
Pursuant to the requirement Under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors Responsibilities Statement, it is hereby confirmed:
  - i) That in the preparation of the Annual Accounts for the financial year 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
  - ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the year under review.
  - iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
  - iv) That the Directors have prepared the Accounts for the financial year ended 31<sup>st</sup> March, 2010 on a going concern basis.
10. **COMPLIANCE CERTIFICATE**  
In terms of subsection (1) of section 383A read with The Companies (Compliance Certificate) Rules, 2001, the Company has obtained the Compliance Certificate from M/s. R. P. Shah & Co., Practising Company Secretary and is attached to this Report.
11. **AUDITORS**  
M/s. Paresh D. Shah & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made would be within the prescribed limits specified under Section 224(1B) of the Companies Act, 1956.
12. **ACKNOWLEDGMENT**  
The Board wishes to acknowledge and appreciate all its customers, employees and bankers for their continuous support to the Company.

By Order of the Board of Directors  
For THE FIRST CUSTODIAN FUND (INDIA) LTD.

Place: Mumbai  
Date : 31st May 2010

Sd/-  
Sushil Mantri  
Director

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



FORM [SEE RULE 3]

Co. No. : 21 - 38900

Auth. Capital : Rs. 6 Crores

## COMPLIANCE CERTIFICATE

To  
The Members,  
The First Custodian Fund (India) Limited

We have examined the registers, records, books and papers of The First Custodian Fund (India) Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company is a public limited company, hence, the restriction clauses as provided in section 3(1)(iii) of the Companies Act, 1956, is not applicable.
4. During the financial year, the Board of Directors duly met 4 times on 30<sup>th</sup> June, 2009, 31<sup>st</sup> July, 2009, 30<sup>th</sup> October, 2009 and 29<sup>th</sup> January, 2010 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed.
5. During the financial year, the company has closed its Register of Members and Share Transfer Register from 21<sup>st</sup> September, 2009 to 25<sup>th</sup> September, 2009 after complying the provisions of section 154 of the Companies Act, 1956.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2009 was held on 26<sup>th</sup> September, 2009 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company has made necessary entries in the Register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Board of Directors approves the issue of duplicate share certificates from time to time.
13. The Company has:
  - (i) not made any allotment of securities during the financial year. 59.48 % of the shares of the Company are dematerialized and 40.52 % of the shares of the Company are in physical form. The transfer/transmission of shares in dematerialised form is through depositories mechanism. The transfer/transmission of physical shares is duly executed by the Company's appointed Registrar and Share Transfer Agent, M/s. Sharex Dynamic (India) Private Limited. The Shareholders/Investors Grievances Committee takes on record all the physical share transfers from time to time and resolves any investor grievances with respect to non-transfer of shares through depository mode.  
Further, all the share certificates lodged for transfer/transmission are duly delivered to the shareholders in accordance with the provisions of the Act.
  - (ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year.
  - (iii) not posted warrants to any member of the company, as no dividend was declared during the financial year.

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- (iv) no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid and as are required to be transferred to Investor Education and Protection Fund.
- (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
  15. The company is not required to appoint any Managing Director / Whole Time Director / Manager during the financial year.
  16. The company has not appointed any sole-selling agents during the financial year.
  17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other applicable authorities as may be prescribed in the Act during the year under review.
  18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
  19. The company has not issued any shares/debentures/other securities during the financial year.
  20. The company has not bought back any shares during the financial year.
  21. There was no redemption of preference shares or debentures during the financial year.
  22. There were no transaction necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. The company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
  24. The company has not borrowed any amount during the financial year.
  25. The company has not made any loans or given guarantees or provided securities to other bodies corporate and consequently no entries are made in the Register kept for the purpose. The company has made investments in other bodies corporate and the necessary entries in respect of same have been made in the register kept for the purpose.
  26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
  27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
  28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
  29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
  30. The company has not altered its articles of association during the financial year.
  31. There was no prosecution initiated against or show cause notices received by the company during the financial year for offences under the Act.
  32. The company has not received any money as security from its employees during the financial year under certification as per provisions of section 417(1) of the Act.
  33. The company was not required to deposit both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For P. P. SHAH & CO.

Sd/-  
(PRADIP C. SHAH)

Place: Mumbai  
Date: 25<sup>th</sup> August, 2010

Practising Company Secretary

Partner  
Membership No. 1483  
Certificate Practice 436



# THE FIRST CUSTODIAN FUND (INDIA) LTD.



## Annexure A

### Registers as maintained by the Company

1. Register of Members u/s. 150.
2. Register of Transfers
3. Register of Directors, Managing Director, Manager and Secretaries u/s. 303.
4. Register of Contracts with the Companies and firms in which directors are directly or indirectly interested u/s. 301.
5. Register of Director's Shareholding u/s. 307.
6. Minutes of the Annual General Meeting/Extra Ordinary General Meeting and Board Meeting under section 193.
7. Register of Charges
8. Register of Investments.

Note: Since, 59.48 % of the shares of the Company are in dematerialized format, the register of beneficial owners as per Section 11 of Depositories Act, 1996 is maintained by the concerned Depository.

## Annexure B

### Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2010.

1. Form No. 23AC containing the Balance Sheet and Form No. 23ACA containing the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2009 was filed as per Section 220 of the Act with the Registrar of Companies, West Bengal, on 24<sup>th</sup> October, 2009.
2. Form No. 66 containing the Compliance Report of M/s. P P Shah & Co. for the year ended 31<sup>st</sup> March, 2009, was filed as per Section 383A of the Act with the Registrar of Companies, West Bengal on 24<sup>th</sup> October, 2009.
3. Form No. 20B containing the Annual Return as per Schedule V of the Act as on the date of Annual General Meeting held on 26<sup>th</sup> September, 2009 was filed as per Section 159 of the Act with the Registrar of Companies, West Bengal, on 11<sup>th</sup> September, 2008.

For P.P. SHAH & CO.

Place: Mumbai  
Date: 25<sup>th</sup> August, 2010

Sd/-  
(PRADIP C. SHAH)  
Practising Company Secretary  
Partner  
Membership No. 1483  
Certificate Practice 436



AUDITORS REPORT

Auditor's report of the members of M/S. THE FIRST CUSTODIAN FUND (I) Limited.

We have audited the attached Balance Sheet of M/S THE CUSTODIAN FUND (I) Ltd. As at 31<sup>st</sup> March, 2010 and also the profit and loss account for the year ended on that date annexed thereto; these financial statement are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes examining on test basis evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further to our comments in the annexure referred to above, we report that: -

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2) 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 the books.
- 3) The Balance sheet and the profit and loss account referred to in this report are in agreement with the books of accounts.
- 4) In our opinion, the profit and loss account and balance sheet comply, in all material respects, with the accounting standards referred to in sub-section 3(c) of section 211 of the Companies Act, 1956, except that the value of the unquoted investment and physical shares cannot be ascertain and they are shown at purchase value.
- 5) On the basis of written representations received from the director's as on 31<sup>st</sup> March, 2010 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of Sub-Section (1) of section 274 of the Companies Act, 1956.
- 6) The explanation give to us, the said accounts together with the notes thereto give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair vies :-
  - i) In the case of the Balance Sheet, of the state of the affairs of the Company as at March 31<sup>st</sup> 2010.
  - ii) In the case of the profit and loss account, of the Profit for the year 31<sup>st</sup> March, 2010.
- 7) As required by the Companies (Audits Report) order 2003 (as amended) issued by the Company law board in terms of section, 227(4-A) of the companies act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we further report on the clause wherever applicable, that :
  - i) a) The Company is maintaining proper records showing full particulars on fixed assets. The fixed assets are physically verified by the management at regular interval.
  - b) During the year the company has not sold its fixed Assets.
  - ii) The Fixed assets have not been revalued during the year.



AUDITORS REPORT

Auditor's report of the members of M/S. THE FIRST CUSTODIAN FUND (I) Limited.

We have audited the attached Balance Sheet of M/S THE CUSTODIAN FUND (I) Ltd. As at 31<sup>st</sup> March, 2010 and also the profit and loss account for the year ended on that date annexed thereto; these financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further to our comments in the annexure referred to above, we report that: -

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2) 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 the books;
- 3) The Balance sheet and the profit and loss account referred to in this report are in agreement with the books of accounts.
- 4) In our opinion, the profit and loss account and balance sheet comply, in all material respects, with the accounting standards referred to in sub-section 3(c) of section 211 of the Companies Act, 1956, except that the value of the unquoted investment and physical shares cannot be ascertain and they are shown at purchase value.
- 5) On the basis of written representations received from the director's as on 31<sup>st</sup> March, 2010 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of Sub- Section (1) of section 274 of the Companies Act, 1956.
- 6) The explanation give to us, the said accounts together with the notes thereto give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair vies :-
  - i) In the case of the Balance Sheet, of the state of the affairs of the Company as at March 31<sup>st</sup> 2010.
  - ii) In the case of the profit and loss account, of the Profit for the year 31<sup>st</sup> March, 2010.
- 7) As required by the Companies (Audits Report) order 2003 (as amended) issued by the Company law board in terms of section, 227(4-A) of the companies act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we further report on the clause wherever applicable, that :
  - i) a) The Company is maintaining proper records showing full particulars on fixed assets. The fixed assets are physically verified by the management at regular interval.
  - b) During the year the company has not sold its fixed Assets.
- ii) The Fixed assets have not been revalued during the year.

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- iii) The system followed by the management for physical verification of securities is adequate in relation to the size of the Company and the nature of its business.
- iv) On the basis of the examination of securities records we are of the opinion that the valuation of the securities is fair and in accordance with normally accepted accounting principles. The valuation of investment is at cost.
- v) No material discrepancies were noticed on physical verification of securities as compared to book records.
- vi) In our opinion and according to the information and explanation given there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of securities / and fixed assets and for the sale of securities / and services. During the course of audit no major weakness has been noticed in the internal control system in respect of these areas.
- Vii.a) According to the information and explanation given, the Company has granted unsecured loans to companies listed in the register maintained under section 301 of the Act on current account basis. Details of number of parties and the amount involved in the transactions are as under:

Particulars	Maximum Amount outstanding during the year (Rs.)	Balance outstanding as at the year end (Rs.)	No. of parties
Loans granted	1200000	1200000	1

The company is maintaining current account with the above company.

- (b) There is no interest taken on Loan granted.
- (c) The party is regular in repayment of principal as stipulated.
- viii) a) According to the information and explanation given, the Company has not taken unsecured loans from companies listed in the register maintained under section 301.
- (x) Based on the audit procedures applied, in our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements u/s 301 of the Act have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (x) In our opinion and according to the information and explanations given the company has not accepted deposits from the public.
- xi) In view of the internal controls existing in the company, the company did not find it necessary to have a formal internal Audit system during the year.
- xii) As informed, the company is not required to maintain any cost records prescribed by the Central Government under (d) of sub-section (1) of section 209 of the Act.
- Xiii(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income tax wealth Tax, Service Tax, Provident fund and other material statutory Dues applicable to it. As informed, statutory dues in the nature of Employees State insurance, Investor Education & Protection fund, Sales tax, Custom duty, Excise duty and Cess are not applicable to the company. According to the information and explanation given, no undisputed amount payable in respect of Income-tax, Wealth tax, service tax, sales tax, Custom Duty, Excise Duty and Cess were in arrears as at 31/3/2010 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given, there are no dues of Income-Tax / Sales Tax / Service Tax / Custom Duty / Excise Duty / Cess which have been deposited on account of any dispute.

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- xiv) The Company does not have accumulated losses at the end of the financial year.
- xv) In our opinion and according to the information and explanation given, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- xvi) In our opinion and based on the documents and records produced before us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xvii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) (a), (b), (c) & (d) of the order are not applicable to the company.
- xviii) The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities and timely entries have been made there in. The shares, securities, & other investments have been held by the company in its own name except to the extent of the exemption granted under section 49 of the Act.
- xix) In our opinion and according to information and explanation given, the company has not given guarantees for loans taken by other from banks or financial institutions.
- xx) According to the information and explanations given, the company has not raised any term loans which were applied for the purpose for which they were raised.
- xxi) According to the information and explanations given and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xxii) The Company has not made preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- xxiii) According to the information and explanation given, the company has not issued any debentures. Accordingly, the provision of clause 4(xix) of the Order is not applicable to the company.
- xxiv) The Company has not raised any money through public issue during the year. Accordingly, the provision of clause 4(xx) of the Order is not applicable to the company.
- xxv) Based upon the audit procedures performed and information and explanations given, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Mumbai

Dated : 24/5/2010

For Paresh D. Shah & Co.  
Chartered Accountants

P. D. Shah  
Proprietor

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



## BALANCE SHEET AS AT 31.3.2010

	SCH	AS AT 31.3.2010	AS AT 31.3.2009
<b>SOURCES OF FUND</b>			
<u>SHAREHOLDERS FUND</u>			
SHARE CAPITAL	A	15000000	15000000
RESERVE AND SURPLUS	B	74344138	71160342
	<b>TOTAL</b>	<b>89344138</b>	<b>86160342</b>
<b>APPLICATION OF FUNDS :</b>			
<u>FIXED ASSETS</u>			
Gross Block	C	5940511	6878889
LESS : DEPRECIATION		<u>6395325</u>	<u>-6177705</u>
NET BLOCK		545186	701184
INVESTMENT	D	30011142	18534682
CURRENT ASSETS, LOANS AND ADVANCES	E	107068107	102331479
LESS : CURRENT LIABILITIES AND PROVISIONS	F	<u>48280296</u>	<u>-35407003</u>
NET CURRENT ASSETS		58787811	66924476
	<b>TOTAL</b>	<b>89344139</b>	<b>86160342</b>
NOTES ON ACCOUNTS	I		

PLACE : MUMBAI  
AS PER OUR ATTACHED REPORT  
OF EVEN DATE

FOR AND BEHALF  
OF THE BOARD

DATE : 24-05-2010  
FOR PARESH D. SHAH & CO,  
CHARTERED ACCOUNTANT

SUSHIL MANTRI - (DIRECTOR)

P. D. SHAH (FCA)  
PROPRIETOR

M. BANTHIA  
DIRECTOR

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.3.2010

<u>SCH</u>	<u>For The Year Ended</u> on 31.3.2010	<u>For The Year Ended</u> on 31.3.2009
<b>INCOME :</b>		
INTEREST	2277240	2264823
DIVIDEND	85415	106895
INCOME FROM OPERATION	1681457	2322156
MUTUAL FUND	6051	
LONG TERM CAPITAL	2489253	593203
SHORT TERM CAPITAL		-511307
<b>TOTAL(A)</b>	<b>6539416</b>	<b>4775770</b>
<b>EXPENDITURE</b>		
PAYMENT TO EMPLOYEES	<b>G</b> 905298	855355
ADMINISTRATIVE & OTHER EXPS.	<b>H</b> 1830433	3488253
DEPRECIATION	<b>C</b> 217620	401354
INTEREST PAID	143072	168675
<b>TOTAL(B)</b>	<b>3096423</b>	<b>4913637</b>
PROFIT / LOSS BEFORE TAX	<b>(A-B)</b> 34442993	-137867
LESS : PROVISION FOR TAX		
CURRENT TAX	-250000	-60000
FRINGE BENEFIT TAX	-	-20000
DEFERRED TAX	-9193	-29144
PROFIT AFTER TAX	3183800	-247011
ADD - SURPLUS B/F FROM PREVIOUS YEAR	67553781	67800795
PROFIT AVAILABLE FOR APPROPRIATION	70737581	67553784
EARNING PER SHARE (FACE VALUE RS. 10/- PER SHARE)	2.29	-0.09
NOTES ON ACCOUNTS	I	

PLACE : MUMBAI  
AS PER OUR ATTACHED REPORT  
OF EVEN DATE

DATE : 24-05-2010  
FOR PARESH D. SHAH & CO.  
CHARTERED ACCOUNTANT

**P. D. SHAH (FCA)**  
PROPRIETOR

FOR AND BEHALF  
OF THE BOARD

**SUSHIL MANTRI - (DIRECTOR)**

**M. BANTHIA - (DIRECTOR)**

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



## SCHEDULE A

	AS AT	AS AT
	31.3.2010	31.3.2009
SHARE CAPITAL		
AUTHORISED		
3000000 EQUITY SHARE OF RS. 10/- EACH		
(PREVIOUS YEAR 3000000 EQUITY SHARES		
OF Rs. 10/- EACH)	<u>30000000</u>	30000000

ISSUED, SUBSCRIBED AND PAID UP  
1500000 EQUITY SHARE OF 10/- EACH  
(Py 1500000 EQ Shares of  
Rs. 10 Each)

<u>15000000</u>	15000000
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## SCHEDULE B: RESERVE & SURPLUS

CAPITAL RESERVE	1695798	1695798
INVESTMENT ALLOWANCE RES	220000	220000
GENERAL RESERVE	1690760	1690760
PROFIT AND LOSS ACCOUNT	70737581	67553784
	<u>76344139</u>	<u>71160342</u>

## SCHEDULE C - FIXED ASSETS

PARTICULAR	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 31.3.2009	ADDITION/SALES DURING THE YEAR	AS AT 31.3.2010	AS AT 31.3.2009	FOR THE YEAR	TOTAL	AS AT 31.3.2010	AS AT 31.3.2009
FURNITURE & FIXTURE	1817817	-	1817817	1493153	22584	1515717	102099.82	124864
COMPUTER (INCL. OFFICE EQUIPMENT AIR CONDITIONER	5261072	13900 47722	5274972 47722	4684552	154042 1014	4878594 1014	396377.87 46708	576520
TOTAL	6878889	61622	6940511	6177705	217820	6395325	545186	701184
PREVIOUS YEAR	6768239	110650	6878889	5776351	401354	6177705	701184	991888



# THE FIRST CUSTODIAN FUND (INDIA) LTD.



CUSTODIAN

<u>SCHEDULE D</u>		<u>AS AT</u>		<u>AS AT</u>
<u>INVESTMENTS</u>	<u>QUANTITY</u>	<u>31.3.2010</u>	<u>QUANTITY</u>	<u>31.3.2009</u>
<u>A) QUOTED</u>				
BANG OVERSEAS LTD	6000	489000	6000	489000
GTL LTD	9316	1023738	9316	1023738
JINDAL SOUTH WEST HOLDING	1827	3122343	4199	3307953
JSW ENERGY LTD	25000	2625000		
JSW STEEL LTD	4030	5108621	1030	1158788
MAC AGRO INDUST	100	6315	100	6315
MONNET ISPAT			6	228
PADMINI TECHNOLOGY	1000	217960	1000	217960
PANAMA PETROCHEM	20000	4835296	20000	4835296
HALONIX LTD	50	5126	50	5126
PUNJAB WIRE	6100	506130	6100	506130
SANGHI POLY	351	1001	351	1001
SATYAM COMP	25	5437	25	5437
TCM	100	355	100	355
VIDEOCON IND	1287	292664		
VIJAYA BANK	100000	4788750		
		<u>23027736</u>		<u>11557327</u>

(MARKET VALUE OF SHARES IS RS. 24759466.PY 10454300)

## B) UNQUOTED

AQUA FARM	20000	200000	20000	200000
ALTOPAL IND	5600	413000	5600	413000
KONORIA DYE CHEM	52500	525000	52500	525000
PAN AUTO LTD	100000	1100000	100000	1100000
VISHAL FOOT WEAR	200000	1000000	200000	1000000
VISHWA AGRO	350000	3500000	350000	3500000
CADBURY IND	50	61847	50	61847
CHEMINOR DRUGS	50	14500	50	14500
		<u>6814347</u>		<u>6814347</u>

## B) UNITS OF MUTUAL FUND:

CANBANK INCOME FUNDS (16477 UNITS)		169059		163008
<b>GRAND TOTAL</b>		<u>30011142</u>		<u>18534682</u>

# The First Custodian Fund (India) Ltd.



## SCHEDULE E

CURRENT ASSETS, LOANS AND ADVANCES	AS AT 31.3.2010	AS AT 31.3.2009
A) CURRENT ASSETS		
CASH ON HAND	2329	16838
BALANCE WITH SCHEDULE BANK IN CURRENT/ FDR A/C	33637829	48275946
SUNDRY DEBTORS (UNSECURED BUT CONSIDERED GOOD)		
OUTSTANDING FOR MORE THAN SIX MONTHS	9132245	9415317
OTHER DEBTS	47144765	27163777
	<u>89917169</u>	<u>84871878</u>
B) LOANS AND ADVANCES (UNSECURED CONSIDERED GOODS) (ADVANCE RECOVERABLE IN CASH OR KIND OR VALUE TO BE RECEIVED)		
ADVANCE / DEPOSITS	1427225	1027521
DEPOSITS	9335895	14035068
DEFERRED TAX (ASSETS)	1187819	1197012
OTHER ADV	5200000	1200000
	<u>17150939</u>	<u>17459601</u>
	<u>107068107</u>	<u>102331479</u>

## SCHEDULE F

CURRENT LIABILITIES AND PROVISION		
A) CURRENT LIABILITIES		
SUNDRY CREDITORS	46777896	
OPTION PREMIUM	748626	34883229
	<u>47526522</u>	<u>34883229</u>
B) PROVISIONS FOR TAX		
PROVISION FOR TAXES	<u>753774</u>	<u>523774</u>
	<u>48280296</u>	<u>35407003</u>

## SCHEDULE - G

PAYMENTS TO EMPLOYEES		
SALARIES	825113	827712
BONUS	41741	-
STAFF WELFARE EXPENCES	38444	27643
	<u>905298</u>	<u>855355</u>

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



## SCHEDULE - H (ADMINISTRATIVE & OTHER EXPENSES)

	YEAR ENDED 31.3.10	YEAR ENDED 31.3.09
GENERAL EXPENSES	78341	86436
TRAVELLING	220187	139860
PRINTING & STATIONERY	45655	78880
TELEPHONE EXPENSES	100433	152567
POSTAGE EXPENCES	16526	13268
SUBSCRIPTION	110300	100000
FILING FEES	1530	1530
BANK CHARGES	2399	1595
NSE EXPENSES	75515	1161247
STT AND OTHER EXPENSES	31868	
DMAT CHARGES	84834	210919
ADVERTISEMENT & PUBLICITY	70199	110540
REPAIRS & MAIN	119663	116397
ANNUAL LISTING FEE	24266	20374
PROFESSION TAX	2500	2500
TRANSFER AGENT FEES	14619	13683
DONATION	31000	36100
RENT, RATES & TAXES	17432	17513
LEGAL FEES	183867	114745
INSURANCE PREMIUM	19303	36356
BOOKS & PERIODICALS	3279	2643
VSAT & LEASLINE CHARGES	222977	358918
MESS EXPENSES	180480	162089
CM CHARGES A/C	119003	444325
PAYMENTS TO AUDITORS	23370	44120
SEBI CHGS (TRAN CHARGES)	-	61648
LICENCE FEES	30888	-
	<u>1830433</u>	<u>3488253</u>

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



## SCHEDULE : I

### ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS

#### A. Significant Accounting Policies General

1. Accounting policies not specifically referred to otherwise are in accordance with generally accepted accounting principles
2. Expenses and income considered payable and receivable respectively are accounted for on accrual basis.
3. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provisions of all known liabilities is adequate and not in excess of the amount necessary.

#### Fixed assets & Depreciation

4. Fixed Assets are capitalised at cost inclusive of all incidental expenses related thereon.
5. Depreciation on the assets has been provided on written down value basis as per the rates prescribed under schedule xiv of the Companies Act, 1956 and on pro-rate basis from the date of addition.
6. Investments are valued at cost price. All the shares are not in Demat form, few shares are in physical form and are in possession of Directors.
7. The Gratuity will be accounted for as and when paid.

	<u>Year</u>	<u>Year</u>
B. Payment to Auditors	<u>31.3.10</u>	<u>31.3.09</u>
For Statutory Audit	16545	27575
Tax Audit	6825	16545
	23370	44120
D. Expenditure in foreign currency	NIL	NIL
E. Income in foreign currency	NIL	NIL
C. <u>Related Party Transactions :</u>		
<u>Payment to Director :</u>		
Director Remuneration	NIL	NIL

- F. Segment Reporting : As the Company operates in only one segment i.e the capital Market segment, separate disclosure is not required.
- G. Figure in the financial statements are all in Rupees.
- H. Previous year's figure have been recast and rearranged wherever found necessary.

As Per or Attached Report of Even date

Place : Mumbai  
Dated : 24/05/2010

For Paresh D. Shah & Co  
Chartered Accountants

For and on behalf of of The Board

P. D. Shah  
Proprietor

Sushil Mantri  
(Director)

Manish Banthia  
(Director)

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



## THE FIRST CUSTODIAN FUND (INDIA) LTD. CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT FOR THE YEAR ENDED ON 31ST MARCH 2009.

	Rupees	Rupees
<b>A) Cash flow from operating Activities :</b>		
Net Profit Before Tax and extraordinary items		3442993
<b>Add/(less) Adjustments for :</b>		
Depreciation	217820	
Interest Paid	143072	
Mutual fund income	(6051)	
Dividend received	(85415)	
Capital Gains on sale of investments	(2489253)	
Operation Profit before working capital change	(2220027)	
Adjustments for decrease in trades & other/receivables	(19897916)	
Increase in trades payable	12873294	(9044648)
Cash Generated from operation	(5601656)	
Less : Interest Paid	(143072)	
Income tax paid		(143072)
Cash out flow before Extraordinary items		(5744728)
Extraordinary items		NIL
<b>Cash in flow from operating Activities (A)</b>		<b>(5744728)</b>
<b>B) Cash Flow Arising from Investing Activities :</b>		
Purchase of Fixed Assets	(61622)	
Purchase of Investments	(15895151)	
Sale of Investments	6957409	
Dividend received	85415	
Income from M. Fund	6051	
<b>Net Cash Utilised in Investing Activities (B)</b>	<b>(8907898)</b>	
<b>C) Cash Flow from Financial Activities :</b>		
Proceeds from issue of Share Capital	NIL	
Decrease of long term loans	NIL	
Dividend paid Including Dividend Tax	NIL	
Public / right issue expenses	NIL	
<b>Net Cash flow in Finance Activities (C)</b>		<b>NIL</b>
<b>Net Change in cash &amp; cash equivalents (A+B+C)</b>		<b>(14652626)</b>
Cash and cash equivalents as at 31.03.2009		48292784
Cash and cash equivalents as at 31.03.2010		33640158

Place : Mumbai  
Dated : 24.05.2010.

For and on Behalf of the Board  
Sushil Mantri Director  
Manish Banthia Director

### AUDITORS CERTIFICATE

The Board of Directors  
The First Custodian Fund(I) Ltd.

We have examined the attached cash flow statement of your company for the year ended 31st March, 2010. The statements has been prepared by the company in accordance with the requirements of listing agreement clause 32 and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 11th June 2009 to the members of the company

Place : Mumbai  
Dated : 24.05.2010

For Parash D. Shah & Co.  
Chartered Accountants

(P.D. Shah)  
Proprietor

# The First Custodian Fund (India) Ltd.



## THE FIRST CUSTODIAN FUND (I) LTD BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. REGISTRATION DETAILS

REGISTRATION NO	38900	STATE CODE	21		
BALANCE SHEET AS AT		DATE	31	3	2010
				MONTH	YEAR

### II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)

PUBLIC ISSUE		RIGHT ISSUE	
NIL		NIL	
BONUS ISSUE		PRIVATE PLACEMENT	
NIL		NIL	

### III. PROVISION OF MOBILISATION AND DEVELOPMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

TOTAL LIABILITIES	89344	TOTAL ASSETS	89344
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### SOURCES OF FUNDS:

PAID OF CAPITAL	15000	RESERVE & SURPLUS	74344
SECURED LOANS	NIL	UNSECURED LOANS	NIL

### APPLICATION OF FUNDS

NET FIXED ASSETS	545	INVESTMENTS	30011
NET CURRENT ASSETS	58788	STOCK IN TRADE	NIL

### IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

TURNOVER	6539	TOTAL EXPENDITURE	3096
PROFIT / (LOSS) BEFORE TAX	3443	PROFIT / (LOSS) AFTER TAX	3184
EARNING PER SHARE IN RS.	2.29	DIVIDEND RATE %	0

### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCT/SERVICES OF COMPANY

PRODUCT DESCRIPTION	STOCK BROKING
PRODUCT DESCRIPTION	CORPORATE ADVISORY

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR PARESH D. SHAH & CO.  
CHARTERED ACCOUNTANTS  
(P. D. SHAH)  
PROPRIETOR  
PLACE : MUMBAI  
DATED : 21/5/2010

FOR AND ON BEHALF OF THE BOARD  
(SUSHIL MANTRI) DIRECTOR  
(MANISH BANTHIA) DIRECTOR