

25<sup>th</sup>  
ANNUAL REPORT 2010-2011



THE FIRST CUSTODIAN FUND (INDIA) LTD.

**TWENTY FIFTH ANNUAL REPORT 2010-2011**

**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  
url : www.sharexindia.com

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**Annual General Meeting** of the Company will held on Thursday, 24th September, 2011 at the registered office of the Company at 11.00 A.M, Camac Street, Kolkata 700 017.



## NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of **THE FIRST CUSTODIAN FUND (INDIA) LIMITED** will be held on Saturday, 24th September, 2011. 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, 2011, 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. Surendrakumar 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.

Sd/-  
Sushil Mantri  
Director

Place: Kolkata  
Date: 30<sup>th</sup> May, 2011

### 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, 17<sup>th</sup> September, 2011 to Saturday, 24th September, 2011. (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 advised 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.

DIRECTOR'S REPORT

To

The Members,

Your Directors present herewith the Twenty Fifth Annual Report of your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2011.

1. **FINANCIAL RESULTS**

	(Rs. in Lacs)	
	Year Ended 31/03/2011	Year Ended 31/03/2010
Gross Income	84.05	65.39
Total Expenditure	37.49	27.36
Interest Expenses	0.44	1.43
Gross Profit	46.56	36.60
Depreciation	1.53	2.17
Profit / (Loss) Before Tax	44.59	34.43
Less : Income Tax	8.00	2.50
Less/Add : Deferred Tax	.06	0.09
Less : Income Tax Paid – W/ Off	.07	-
Net Profit / (Loss) After Tax	36.72	31.84
Add : Profit brought forward from previous year	707.37	675.53
<b>APPROPRIATIONS</b>	<b>744.09</b>	<b>707.37</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, 2011, in order to conserve the resources of the Company.

3. **OPERATIONS**

The Company has earned 84.05 Lacs from Market Operations, The Company hopes to achieve good result in baring unforeseen circumstances.

4. **DIRECTORS**

Mr. Surendrakumar 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)(e) 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 Limited. The Company has paid listing fees for the year ended 2010-11 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, 2011, 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, 2011 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. P. 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: Kolkata  
Date: 30<sup>th</sup> May, 2011

Sd/-  
Sushil Mantri  
Director



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, 2011. 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 31<sup>st</sup> May, 2010, 30<sup>th</sup> July, 2010, 28<sup>th</sup> October, 2010 and 31<sup>st</sup> January, 2011 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 25<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 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, 2010 was held on 30<sup>th</sup> September, 2010 after publishing notice in newspapers by 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. 60.39 % of the shares of the Company are dematerialized and 39.61 % 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 transfers/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.
- (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.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2011

For P. P. SHAH & CO.  
(PRADIP C. SHAH)  
Practising Company Secretary  
Partner  
Membership No. 1483  
Certificate Practice 436



**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, 60.39 % 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, 2011.**

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, 2010 was filed as per Section 220 of the Act with the Registrar of Companies, West Bengal, on 30<sup>th</sup> September, 2010.
2. Form No. 66 containing the Compliance Report of M/s. P. P. Shah & Co. for the year ended 31<sup>st</sup> March, 2010, was filed as per Section 383A of the Act with the Registrar of Companies, West Bengal on 30<sup>th</sup> September, 2010.
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 30<sup>th</sup> September, 2010 was filed as per Section 159 of the Act with the Registrar of Companies, West Bengal, on 25<sup>th</sup> October, 2010.

For **P. P. SHAH & CO.**

Place: Mumbai  
Date: 30<sup>th</sup> May, 2011

**(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, 2011 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 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, 2011 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, 2011 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> 2011.
  - ii) In the case of the profit and loss account, of the Profit for the year 31<sup>st</sup> March, 2011.
- 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.  
b) The fixed assets are physically verified by the management at regular interval.
  - ii) The Fixed assets have not been revalued during the year.



- iii) The system followed by the management for physical verification of stock is adequate in relation to the size of the Company and the nature of its business.
- iv) On the basis of the examination of stock records we are of the opinion that the valuation of the stock is fair and in accordance with normally accepted accounting principles. The valuation of Investment is at cost.
- v) No material discrepancies were notice on physical verification of stock 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	NIL	1

- (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.
- ix) 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. As informed no order has been passed by CLB or national company law tribunal of the RBI or any court or any other Tribunal during the year to the company in this regard.
- 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 (l) 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 31/3/2011 for a period of more than six months from the date they became. 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.

- xiv) The Company doesnot have accumulated losses at the end of the financial year and not incurred cash losses during the financial year and in the immediately preeding 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.
- viii) 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 than 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 : 30/5/2011

For Pares D. Shah & Co.  
Chartered Accountants

P. D. Shah  
Proprietor



BALANCE SHEET AS AT 31.3.2011

	SCH	AS AT 31.3.2011	AS AT 31.3.2010
<b>SOURCES OF FUND</b>			
<u>SHAREHOLDERS FUND</u>			
SHARE CAPITAL	A	15000000	15000000
RESERVE AND SURPLUS	B	78016475	74344140
	<b>TOTAL</b>	<b>93016475</b>	<b>89344140</b>
<b>APPLICATION OF FUNDS :</b>			
<u>FIXED ASSETS</u>			
Gross Block	C	6955021	6940511
LESS : DEPRECIATION		6547892	6395325
NET BLOCK		407129	545186
INVESTMENT	D	32404199	30011142
CURRENT ASSETS, LOANS AND ADVANCES	E	116869968	105880288
DEFFERD TAX		1194067	1187819
LESS : CURRENT LIABILITIES AND PROVISIONS	F	57858889	48280296
NET CURRENT ASSETS		60205147	57599992
	<b>TOTAL</b>	<b>93016475</b>	<b>89344140</b>

NOTES ON ACCOUNTS

AS PER OUR ATTACHED REPORT  
OF EVEN DATE

PLACE : MUMBAI  
DATE : 30-05-2011  
FOR PARESH D. SHAH & CO.  
CHARTERED ACCOUNTANT

**P. D. SHAH (FCA)**  
PROPRIETOR  
Membership No. 40648  
FR No. 1075000W

FOR AND BEHALF  
OF THE BOARD

**SUSHIL MANTRI**  
Director

**M. BANTHIA**  
DIRECTOR

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.3.2011

	SCH	For The Year Ended on 31.3.2011	For The Year Ended on 31.3.2010
<b>INCOME :</b>			
INTEREST		2199685	2277240
DIVIDEND		365175	85415
INCOME FROM OPERATION		2200618	1681368
MUTUAL FUND		9383	6051
LONG TERM CAPITAL		417123	2489253
SHORT TERM CAPITAL		2978240	
SPECULATION INCOME			89
F & O PROFIT		234510	
<b>TOTAL (A)</b>		<b>8404733</b>	<b>6539416</b>
<b>EXPENDITURE</b>			
PAYMENT TO EMPLOYEES	G	921372	905298
ADMINISTRATIVE & OTHER EXPS.	H	2827512	1830433
DEPRECIATION	C	152567	217620
INTEREST PAID		44035	143072
<b>TOTAL (B)</b>		<b>3945486</b>	<b>3096423</b>
PROFIT / LOSS BEFORE TAX	(A-B)	<b>4459247</b>	<b>3442993</b>
LESS : PROVISION FOR TAX			
CURRENT TAX		-800000	-250000
DEFERRED TAX		6248	-9193
INCOME TAX PAID-W/OFF/PROVISION ADD BACK		6841	
PROFIT AFTER TAX		3672336	3183800
ADD : SURPLUS B/F FROM PREVIOUS YEAR		70737581	67553781
PROFIT AVAILABLE FOR APPROPRIATION		74409917	70737581
EARNING PER SHARE (FACE VALUE RS. 10/- PER SHARE)		2.45	2.29
NOTES ON ACCOUNTS	I		

PLACE : MUMBAI  
AS PER OUR ATTACHED REPORT  
OF EVEN DATE

PLACE : MUMBAI  
DATE : 30-05-2011  
FOR PARESH D. SHAH & CO.  
CHARTERED ACCOUNTANT

P. D. SHAH (FCA)  
PROPRIETOR  
Membership No. 40648  
FR No. 1075000W

FOR AND BEHALF  
OF THE BOARD

SUSHIL MANTRI - (M. BOM.)  
Director

M. BANTHIA  
DIRECTOR



# THE FIRST CUSTODIAN FUND (INDIA) LTD.



CUSTODIAN

<u>SCHEDULE A</u>	AS AT	AS AT
SHARE CAPITAL	31.3.2011	31.3.2010
AUTHORISED		
3000000 EQUITY SHARE OF RS. 10/- EACH		
(PREVIOUS YEAR 3000000 EQUITY SHARES		
OF Rs. 10/- EACH)	30000000	30000000

ISSUED, SUBSCRIBED AND PAID UP		
1500000 EQUITY SHARE OF 10/- EACH	15000000	15000000
(Py 1500000 EQ Shares of		
Rs. 10 Each)		

## SCHEDULE B: RESERVE & SURPLUS

CAPITAL RESERVE	1695798	1695798
INVESTMENT ALLOWANCE RES	220000	220000
GENERAL RESERVE	1690760	1690760
PROFIT AND LOSS ACCOUNT	74409917	70737582
	78016475	74344140

## SCHEDULE C - FIXED ASSETS

PARTICULAR	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 1.4.2010	ADDITION DURING THE YEAR	TOTAL AS AT 31.3.2011	AS AT 31.3.2010	FOR THE YEAR	TOTAL	AS AT 31.3.2011	AS AT 31.3.2010
FURNITURE & FIXTURE	1617817	-	1617817	1515717	18480	1534197	83620	102100
COMPUTER (INCL. OFFICE EQUIPMENT	5274972	14510	5289482	4878594	127590	5006184	283298	396378
AIR CONDITIONER	47722		47722	1014	6497	7511	40211	46708
TOTAL	6940511	14510	6955021	6395325	152567	6547892	407129	545186
PREVIOUS YEAR	6878889	61622	6940511	6177705	217620	6395325	545186	701184

# THE FIRST CUSTODIAN FUND (INDIA) LTD.



<u>SCHEDULE D</u> <u>INVESTMENTS</u>	<u>QUANTITY</u>	<u>AS AT</u> <u>31.3.2011</u>	<u>QUANTITY</u>	<u>AS AT</u> <u>31.3.2010</u>
<u>A) QUOTED</u>				
BANG OVERSEAS LTD			6000	489000
GTL LTD	9316	1023738	9316	1023738
HALONIX LTD	50	5126	50	5126
JINDAL POLYFILM	1400	1533804		
JINDAL POLYFILM BONUS	2400	0		
JINDAL SOUTH WEST HOLDING	2327	4076343	1827	3122343
JSW ENERGY LTD	125000	15317000	25000	2625000
JSW STEEL LTD	30	38038	4030	51086211
MAC AGRO INDUST	100	6315	100	6315
PADMINI TECH	1000	217960	1000	217960
PANAMA PETROCHEM			20000	48352962
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	1287	292664
VIJAYA BANK	50000	2387500	100000	4788750
		<u>25411410</u>		<u>23027736</u>

(MARKET VALUE OF SHARES IS RS. 20752507.PY 27459466)

## B) UNQUOTED

AQUA FARM	20000	200000	20000	200000
AUTOPAL IND	5600	413000	5600	413000
KONORIA DYECHM	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)	178442	169059
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<b>GRAND TOTAL ...</b>	<u>32404199</u>	<u>30011142</u>
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# THE FIRST CUSTODIAN FUND (INDIA) LTD.



## SCHEDULE E

CURRENT ASSETS, LOANS AND ADVANCES	AS AT 31.3.2011	AS AT 31.3.2010
A) CURRENT ASSETS		
CASH ON HAND	182790	2329
BALANCE WITH SCHEDULE BANK	7107475	
FIXED DEPOSIT RECEIPTS	25471972	33637829
SUNDRY DEBTORS (UNSECURED BUT CONSIDERED GOOD)		
OUTSTANDING FOR MORE THAN SIX MONTHS	8161474	9132245
OTHER DEBTS	55960128	47144765
	96883839	89917169
B) LOANS AND ADVANCES (UNSECURED CONSIDERED GOODS) (ADVANCE RECOVERABLE IN CASH OR KIND OR VALUE TO BE RECEIVED)		
ADVANCE / DEPOSITS	1597043	1427225
DEPOSITS	9352396	9335895
OTHER ADV	9036690	5200000
	19986129	15963120
	116869968	105880288

## SCHEDULE F

CURRENT LIABILITIES AND PROVISION		
A) CURRENT LIABILITIES		
SUNDRY CREDITORS	55795215	46777896
OPTION PREMIUM	516942	748626
	56312157	47526522
B) PROVISIONS FOR TAX		
PROVISION FOR TAXES	1546732	753774
	57858889	48280296

## SCHEDULE - G

PAYMENTS TO EMPLOYEES		
SALARIES	868003	825113
BONUS	45361	41741
STAFF WELFARE EXPENCES	8008	38444
	921372	905298

**SCHEDULE - H**  
**(ADMINISTRATIVE & OTHER EXPENSES)**

	YEAR ENDED 31.3.11	YEAR ENDED 31.3.10
GENERAL EXPENSES	58522	78341
TRAVELLING	180246	220187
PRINTING & STATIONERY	69484	45655
TELEPHONE EXPENSES	58312	100433
POSTAGE EXPENCES	17106	16526
SUBSCRIPTION	110300	110300
FILING FEES	1500	1530
BANK CHARGES	2898	2399
NSE EXPENSES	172	75515
STT AND OTHER EXPENSES	118301	31868
DMAT CHARGES	54170	84834
ADVERTISEMENT & PUBLICITY	25107	70199
REPAIRS & MAIN	74630	119663
ANNUAL LISTING FEE	24266	24266
PROFESSION TAX	2500	2500
TRANSFER AGENT FEES	14119	14619
DONATION	46000	31000
RENT, RATES & TAXES	18433	17432
LEGAL FEES	133906	183867
INSURANCE PREMIUM	19303	19303
BOOKS & PERIODICALS	3368	3279
VSAT & LEASLINE CHARGES	315441	222977
MESS EXPENSES	151386	180480
CM CHARGES A/C	249750	119003
PAYMENTS TO AUDITORS	86930	23370
AMOUNT WRITTEN OF LICENCE FEES	970771	30888
	<u>2827512</u>	<u>1830433</u>



## Schedule I - Notes Forming Part of Accounts

### A. Significant Accounting Policies

#### 1. **Basis of Accounting**

The financial statements have been prepared under the historical cost convention and on accrual basis in compliance with all material aspect of the applicable Accounting Standards in India and the relevant provisions of the Companies Act, 1956, except otherwise mentioned, the accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### 2. **Revenue Recognition**

- a. Revenue from Broking income is recognised on completed contract method.
- b. Dividend income is accounted on receipt basis.
- c. Option premium Income is booked after the same is actually realised.

#### 3. **Expenditure**

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

#### 4. **Fixed Assets**

Fixed Assets are stated at cost less depreciation / impairment losses, if any. Cost includes cost of purchase and other cost attributable to bringing the assets to working condition for intended use.

#### 5. **Depreciation**

Depreciation is provided on pro rata basis using written down value method at the rate specified under Schedule XIV to the Companies Act 1956. Depreciation on assets added/ disposed during the year is provided with reference to the date of addition/ disposal.

#### 6. **AS-28 Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value.

#### 7. **Foreign Currency Translation**

Transactions in foreign currency (if any) are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the profit and loss account. Other items, like fixed assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.

## 8. Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for more than one year are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for.

## 9. Taxation

Tax expense comprises of current and deferred tax

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future

Deferred tax assets in case of unabsorbed losses and unabsorbed depreciation are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits

## 10. Contingent Liabilities & Provisions

Contingent Liabilities are possible but not probable obligations as on the Balance Sheet date, based on the available evidence.

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date.

## B. Notes to Accounts

1. Sundry Debit & Credit balances are subject to confirmation.
2. The company is in the process of identifying creditors covered under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006
3. Expenditure in foreign currencies: Nil  
Income in foreign currencies Nil
4. detail of directors' Remuneration Nil



# THE FIRST CUSTODIAN FUND (INDIA) LTD.



CUSTODIAN

5. Payment to Auditors	Year	Year
	31.3.11.	31.3.10.
For Statutory Audit	38605	16545
Tax Audit	16545	6825
	<u>55150</u>	<u>23370</u>

6. Accounting Standard 17 Segment Reporting  
The Company is principally engaged in the business of Broking and related activities. Accordingly, there are no reportable segments as per AS 17.

7. Accounting Standard 18 Related Party disclosure

A. List of Related Parties No subsidiary company

B. Other Parties with whom the Company has entered into the transaction during the year

i. Other Group Company

1. Harvestdeal Securities Ltd.

2. Dhanlaxmi Textiles Pvt Ltd

ii. Key Management Personnel

1. Shri Manish Banthia

2. Shri Sushil Mantri

3. Shri G. K. Damani

iii. Relatives of Key Management Personnel

S.N. Name

1. Shri Shrikant Mantri

2. Shri R. K. Banthia

Relation with Key Management Personnel

Brother of Sushil Mantri

Father of Manish Banthia

C. During the year brokerage were earned with the related parties in the ordinary course of Business:

8. Earning per Share (EPS)

	31st March, 2011	31st March, 2010
Profits attributable to Shareholders (Rs.)	3,672,336	3,183,800
Nos. of Equity Shares	1,500,000	1,500,000
Basic/Diluted Earning Per Share	2.45	2.12

9. Deferred Tax (Liability)/ Asset as at the year end comprise timing difference on account Of Depreciation, Capital Gains.

10. Disclosure of provision as required under AS - 29 "Provisions Contingent Liabilities and Contingent Assets" NIL

11. All other information as required as per Para 4C and 4D of Para II of schedule VI to the Act are not applicable to the Company.

12. Information required as per Part IV of Schedule VI to the Companies Act, 1956 is attached herewith.

For Paresh D Shah & Co.

Chartered Accountants

P. D. Shah

Proprietor

M. No. 40648

Firm Regd. No. 107500W

Place: Mumbai

Dated: 30/5/2011

For and on behalf of the Board

Sushil Mantri

Director

M. 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 2011.

	Rupees	Rupees
A) <b>Cash flow from operating Activities :</b>		
Net Profit Before Tax and extraordinary items		4459247
<b>Add/(less) Adjustments for :</b>		
Depreciation	152567	
Interest Paid	44035	
Mutual fund income	9383	
Dividend received	365175	
Capital Gains on sale of investments	3395363	
Operation Profit before working capital change	3573319	
Adjustments for increase in trades & other/receivables	11867601	
Increase in trades payable	8785635	491353
Cash Generated from operation	3967894	
Less : Interest Paid	44035	
Income tax paid	-	(44035)
Cash out flow before Extraordinary items		3923859
Extraordinary items		NIL
<b>Cash in flow from operating Activities (A)</b>		<b>3923859</b>
B) <b>Cash Flow Arising from Investing Activities :</b>		
Purchase of Fixed Assets	14510	
Purchase of Investments	15179804	
Sale of Investments	17865694	
Dividend received	365175	
Income from M. Fund	9383	
<b>Net Cash Utilised in Investing Activities (B)</b>		<b>3045938</b>
C) <b>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>877921</b>
Cash and cash equivalents as at 31.03.2010		33640158
Cash and cash equivalents as at 31.03.2011		32762237
Place : Mumbai		For and on Behalf of the Board
Dated : 30.05.2011.		

Sushil Mantri

M Banthia

### 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, 2011. 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 30-05-2011 to the members of the company.

For Pares D. Shah & Co.

Place : Mumbai.  
Dated : 30.05.2011.

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	2011
				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	TOTAL ASSETS
93016	93016

#### SOURCES OF FUNDS:

PAID OF CAPITAL	RESERVE & SURPLUS
15000	78016
SECURED LOANS	UNSECURED LOANS
NIL	NIL

#### APPLICATION OF FUNDS

NET FIXED ASSETS	INVESTMENTS
407	32404
NET CURRENT ASSETS	STOCK IN TRADE
60205	NIL

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

TURNOVER	TOTAL EXPENDITURE
8405	3945
PROFIT / (LOSS) BEFORE TAX	PROFIT / (LOSS) AFTER TAX
4459	3672
EARNING PER SHARE IN RS.	DIVIDEND RATE %
2.45	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  
 M. NO. 40648  
 FR NO. 107500W  
 PLACE : MUMBAI  
 DATED : 30/5/2011

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

Dear Shareholder,



**Sub: "GO GREEN" initiative of the Ministry of Corporate Affairs ("MCA"), Government of India**

The Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies vide circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011, in terms of which a company would have ensured compliance with the provisions of Section 53 of the Act, if services of documents have been made through electronic mode. Accordingly, the companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. Accordingly, henceforth, the Company proposes to send all the Annual Reports, Notices and other shareholder communications etc in electronic form to those members who have registered their email address with their Depository Participants ("DP") and made available to us by the depositories. The members who are holding shares in electronic form but who have not registered their email id with the DP are requested to register their email address with DP. Shareholders are requested to intimate the change in email address to your DP.

For shares held in physical form, shareholders are requested to register their email address with M/s. Sharex Dynamic (India) Private Limited by furnishing their name and folio number at their email address at [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com) or by writing at M/s. Sharex Dynamic (India) Private Limited Unit-1, Luthra Ind. Premises, 1st Floor, 44-E, M Vasanti Marg, Andheri-Kurla Road., Safed Pool, Andheri (E), Mumbai 400072 or at the Company's registered office / email address: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com).

Those shareholders who have not registered their email address shall be sent all the documents in physical form by post.

Kindly also note that if you still wish to get a hard copy of the above documents, the Company will sent the same free of cost upon receipt of request from you.

**We are sure that you will welcome the "Green Initiative" taken by the MCA and your company's desire to participate in the same.**

We look forward to your support in this initiative.  
Thanking you,  
Yours faithfully,

For The First Custodian Fund (India) Limited.

(Sushil Mantri)  
Director

Dated: 24-08-2011





**ATTENDANCE SLIP**

**The First Custodian Fund (India) Ltd.**

Registered Office: 11, Camac Street, Kolkatta 700 017.

Please complete this attendance slip and hand it over at the Registered Office of the Company. I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company on **Saturday 24th September, 2011** at 11.00 AM at the registered office of the Company at 11, Camac Street, Kolkatta 700 017.

<b>*DP ID :</b> NAME AND ADDRESS OF SHAREHOLDER(IN BLOCK CAPITALS)	<b>*CLIENT ID:</b>	<b>**FOLIO NO:</b>

\*To be filled by Shareholders holding shares in dematerialised form  
\*\*To be filled by shareholder holding shares in physical form.

SIGNATURE OF THE SHAREHOLDER OR PROXY \_\_\_\_\_



**PROXY FORM**

**The First Custodian Fund (India) Ltd.**

Registered Office: 11, Camac Street, Kolkatta 700 017.

<b>*DP ID :</b>	<b>*CLIENT ID :</b>
<b>**FOLIO NO:</b>	

\*To be filled by Shareholders holding shares in dematerialised form  
\*\*To be filled by shareholder holding shares in physical form.

I/We .....of.....  
..... being a Member/Members of  
THE FIRST CUSTODIAN FUND (INDIA) LIMITED hereby appoint .....  
appoint .....  
(or failing him) .....of.....  
as my/our Proxy to attend and vote for me/us and on my/our behalf at Twenty Fourth Annual  
General Meeting of the Company to be held on **Saturday 24th September, 2011** at 11.00 AM at the  
registered office of the Company and at any adjournment thereof.

AS WITNESS my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signed by the said



NOTE: The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting. The Proxy need be a member of the Company.

Book-Post



**CUSTODIAN**

If Undelivered please return to  
**The First Custodian Fund (India) Ltd.**  
Surya Mahal, 3rd Floor,  
Nagindas Master Road,  
Fort, Mumbai - 400 023.