

**27th ANNUAL REPORT
2011-2012**

FIRST FINANCIAL SERVICES LTD

FIRST FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS:

Mr Ponnuswamy Natarajan	:	Director
Mr S Krishna Rao	:	Director
Mr Sambasivan Swaminathan	:	Director
Mr Sundaram Sankaranarayanan	:	Director
Mr Nirmal Singh Mertia	:	Executive Director

AUDITORS:

M/s. Dharmaraj & Co.,
Chartered Accountants,
New No. 63, Old No. 31,
Kamaraj Avenue, First Street,
Adyar, Chennai – 600 020.

Company CIN : L74210TN1984PLC011231

Registrars and Transfer Agents:

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai – 400 072.
Phone No. : 022-28470652, Fax No. : 022-28475207
Email id.:info@bigshareonline.com, Website: www.bigshareonline.com

Bankers:

HDFC Bank Ltd, Egmore, Chennai 600 008.
Vijaya Bank, Egmore, Chennai 600 008.
Axis Bank, Malad (W), Mumbai 400 064.

REGISTERED OFFICE:

2 C Ram Mansion, 2nd Floor
367 Pantheon Road, Egmore,
Chennai 600 008.
Email.: ffsl@in.com / info@ffslonline.com
Website: www.ffslonline.com

Compliance Officer:

Mr S Krishna Rao

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 27th Annual General Meeting of the Shareholders of First Financial Services Limited will be held on Saturday, 29th September 2012 at 4.00 P.M. at 2 C Ram Mansion, 367 Pantheon Road, Egmore, Chennai 600 008 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the year ended **31st March 2012** along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ponnuswamy Natarajan, Director of the company who retires by rotation and being eligible offers himself for re-appointment.
3. To reappoint Auditors and fix their remuneration.

To Consider and if thought fit to pass with or without modification, the following resolution as an ordinary Resolution:

“RESOLVED THAT M/s. Dharmaraj & Co., Chartered Accountants, be and is hereby reappointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and that the Board of Directors be and is hereby authorized to fix their remuneration.”

By Order of the Board
For **FIRST FINANCIAL SERVICES LTD.**

Sd/-
S Krishna Rao
Director

Place: Chennai

Date:13.08.2012

NOTES

1. The Register of Members will be closed from the 25th September 2012 to 29th September, 2012 (both days inclusive), for the purpose of Annual General Meeting.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on his behalf. A Proxy need not be a Member of the Company. Proxy forms in order to be effective must be received at Registered Office of the company situated at 2 C Ram Mansion, 367 Pantheon Road, Egmore, Chennai 600 008, 48 hours before this Annual General Meeting.
3. Members are requested to bring their copies of the Report and Accounts to the Meeting.
4. The Members are requested to intimate the Company regarding any change of their address immediately to the Registered Office quoting their Folio Number.
5. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays between 11.00 a.m. to 1.00 p.m. up to the date of AGM.
6. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to the Proxy Form and hand over the Slip at the entrance to the place of the Meeting.
7. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.

FIRST FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

To,
The Members,
FIRST FINANCIAL SERVICES LTD,
Chennai.

Your Directors have great pleasure in presenting 27TH ANNUAL REPORT on the business and operations of your Company with the Audited Accounts for the year ended 31st March, 2012. The financial results of the Company are summarized below:

FINANCIAL RESULTS:

PARTICULARS	YEAR ENDED 31 ST MARCH 2012	YEAR ENDED 31 ST MARCH 2011
Income from Operations	293.68	133.22
Depreciation	Nil	Nil
Profit before Taxation	38.62	85.85
Provision for Taxation	6.40	Nil
Profit after Taxation	32.22	85.85
Appropriations		
Profit after Tax	32.22	85.85
Balance available for appropriation	32.22	85.85

DIVIDEND :

No dividend has been declared by yours directors during the financial year 2011-12 due to expansion of the business and your directors hope for the better results in the future.

FINANCIAL HIGHLIGHTS :

- Income from operations stood at Rs. 293.68 Lacs for fiscal 2012.
- Profit before taxes for fiscal 2012 was 38.62 Lacs.
- Profit after taxes for fiscal 2012 was Rs. 32.22 Lacs.
- Basic Earning Per Share for fiscal 2012 was Rs. 1.54 per share.
- Net Worth of Company stood at Rs. 1215.49

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Ponnuswamy Natarajan, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

During the year, Mr. S G F Melkha Singh has resigned as a director of the company.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 271 (2AA) of the Companies Act, 1956 the Directors confirm that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) Appropriate accounting policies have been selected and the directors have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2011-2012 and of the Profit or Loss of the Company for the period.
- (iii) Proper and sufficient care has been taken for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Annual accounts have been prepared on a going concern basis.

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STATUTORY AUDITOR:

The retiring auditors, namely M/s. **Dharmaraj & Co.**, Chartered Accountants, Chennai, hold office until the conclusion of the forthcoming Annual General Meeting and are seeking re-appointment. They have confirmed that their appointment if made, at the Annual General Meeting, will be within the limits prescribed under sub section (1B) of Section 224 of the Companies Act, 1956. Members are requested to consider their re-appointment.

CORPORATE GOVERNANCE REPORT:

The Board had implemented Corporate Governance Code in pursuance of clause 49 of Listing Agreement during the year. The report on Corporate Governance is annexed hereto forming part of this report. The requisite certificate from Statutory Auditors of the Company on implementation of requirements of the Corporate Governance is also annexed herewith forming part of this report.

PARTICULARS OF EMPLOYEES:

The provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1988 as amended, are not applicable to the Company, as there are no employees whose remuneration is in excess of the limits prescribed.

LISTING :

The Equity Shares of the Company are at presently listed with the Bombay Stock Exchange Limited. The company is regular in payment of listing fee.

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing agreement and requirements of Companies Act, 1956, the Cash flow Statement for the year ended 31.03.2012 is annexed here to.

CONSERVATION OF ENERGY:

Even though, the major activity of your company does not involve high consumption of energy, your company is making all efforts to optimize usage of energy.

TECHNOLOGY ABSORPTION:

Your Company has not imported any technology, hence no details are given.

CAPITAL REDUCTION :

Your company has already intimated you regarding reduction in paid-up capital of the Company . On 19th April, 2011, The Hon'ble High Court of Madras had approved the Reduction of Share Capital and the same is registered with the Registrar of Companies, Tamil Nadu on 4th May, 2011. Hence, the paid up share capital of the company has been reduced from Rs. 3,74,76,000 divided into 37,47,600 equity share of Rs. 10/- each to Rs. 37,47,600 divided into 3,74,760 equity shares of Rs. 10/- each by cancelling 33,72,840 equity shares of Rs. 10/- each i.e by cancelling 9 equity shares for every 10 shares of Rs. 10/- each held by the shareholders.

PREFERENTIAL ALLOTMENT :

Your company has already intimated you regarding the issue of 1,09,00,000 Equity shares at a price of Rs. 10/- each through the preferential allotment through the Extra-Ordinary General meeting held on 25th August, 2011. But the Board of Directors at their Board meeting held on 8th December, 2011 made the allotment of 54,50,000 Equity shares at a premium Rs. 10/- each i.e. FV Rs. 10/- along with Rs. 10/- premium.

Further your Company has also intimated regarding the issue of 30,00,000 Equity shares of Rs. 10/- each issued at a price of Rs. 20/- each through the preferential allotment through the Extra-Ordinary General meeting held on 12th March, 2012. And the Board of Directors at their Board meeting held on 28th April, 2012 made the allotment of 22,50,000 Equity shares at a premium Rs. 10/- each i.e. FV Rs. 10/- along with Rs. 10/- premium.

Accordingly your company paid up capital now increased to 80,74,760 equity shares of Rs. 10/- each.

CONNECTIVITY WITH CDSL AND NSDL :

Your Company has got the approval from CDSL for the ISIN activation on 16th February 2012 and approval from NSDL on 2nd March 2012 and accordingly your company has entered the Tripartite Agreement for Dematerialization of shares.

FIRST FINANCIAL SERVICES LIMITED

ACKNOWLEDGEMENT:

Your directors place on record their gratitude for the continued co-operation and guidance extended by the Securities and Exchange Board of India, Reserve bank of India, Stock Exchanges and take this opportunity to place on record their warm appreciation of the valuable contribution, unstinted efforts and the spirit of dedication by the employees and officers at all levels in the progress of the Company during the year under review.

Your directors also express their deep gratitude for the assistance, co-operation and support extended to your company by the bankers, customers as well as the investing community and look forward to their continued support.

By Order of the Board
For **FIRST FINANCIAL SERVICES LTD.**

Sd/-
S. Krishna Rao
Director

Place: Chennai
Date: 13.08.2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

The company is engaged in Financial Service Activity and Consultancy Business.

B) PERFORMANCE:

During the fiscal 2012, the Income from Operations of the Company stood at Rs. 280.57 Lacs as compared to previous fiscal of Rs. 65.55 Lacs.

However this fiscal, Company profits have declined from Rs. 85.85 Lacs in fiscal 2011 to Rs. 32.22 Lacs. This was on account of decline in market value of shares purchased by the Company.

C) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

An appropriate and adequate system of internal controls exist in your company to ensure that all assets are safeguarded and protected against loss or from misuse or disposition, and that the transactions are authorized, recorded and reported suitably. Internal control systems are ensuring effectiveness of operations, accuracy and promptness of financial reporting and observance with laws & regulations.

The internal control is supplemented on an ongoing basis, by an extensive program of internal audit being implemented through out the year, by the in house internal audit and also by independent Chartered Accountants firm of "Internal Auditors". The internal audit reports along with management comments thereon are review by the Audit Committee of the Board comprising of independent and non-executive Directors, on a regular basis. Implementations of the suggestions are also monitored by the Audit Committee. The internal control is designed to ensure that the financial and other records of the company are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

D) HUMAN RESOURCES POLICIES:

At present the Directors of the company were taking care of the operations mainly. However, the Company has plans to appoint staff now to improve the business.

E) CAUTIONARY STATEMENT:

The statements in report of the Board of Directors and the Management Discussion & Analysis Report describing the Company's outlook, estimates or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company takes no responsibility for keeping the members updated on changes in these factors except as may be statutorily required from time to time.