

**28th ANNUAL REPORT
2012-2013**



FIRST FINANCIAL SERVICES LTD

BOARD OF DIRECTORS:

Mr S Krishna Rao : Director
 Mr Sambasivan Swaminathan : 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 : L85100TN1984PLC011231

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. : 022-40430200, 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
 First Financial Services Ltd.
 2 C, Ram Mansion, 2nd Floor
 367 Pantheon Road, Egmore
 Chennai 600 008
 Phone No. 044-43555227 / 29
 Fax No. 044-28194595

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 28th Annual General Meeting of the Shareholders of First Financial Services Limited will be held on Saturday, 27th July 2013 at 4.00 P.M. at 2-C Ram Mansion, 2nd floor, 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 2013 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. Sambasivaier Swaminathan, Director of the company who retires by rotation and being eligible offers himself for re-appointment.
3. To declare the dividend on Equity shares.
4. 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.”

SPECIAL BUSINESS:

5. Sub division of face value of each Equity Share from ₹ 10/- to Re. 1/-

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

“RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, (Act) and the provisions of Memorandum & Articles of Association and subject to the approvals, consents, permissions and sanctions as sub-divided into 16,00,00,000 Equity Shares of Re. 1/- each AND THAT Clause V (being may be necessary from the appropriate authorities or bodies, the 1,60,00,000 Equity shares of the nominal value of ₹10/- each in the authorised share capital of the Company be sub Capital Clause) of the Memorandum of Association be altered accordingly.

“RESOLVED FURTHER that the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and they are hereby authorised to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and /or credit the shareholders’ accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s), to give effect to the aforesaid resolution.”

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

Sd/-
S Krishna Rao
Director

Place: Chennai
Date:15.06.2013

FIRST FINANCIAL SERVICES LIMITED

NOTES

1. The Register of Members will be closed from the 28th June 2013 to 2nd July, 2013 (both days inclusive), for the purpose of Dividend and 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, 2nd floor, 367 Pantheon Road, Egmore, Chennai-600 008, 48 hours before the 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.
8. Brief Profiles of the Director who is proposed to be appointed / re-appointed is given as Additional Information on Directors, which part of the Notice.
9. The Company has made necessary arrangements for the Members to hold their shares in dematerialized form. Those members who are holding shares in physical form are requested to dematerialize the same by approaching any of the Depository Participants (DPs). In case any member wishes to dematerialize his/her shares and needs any assistance, he/she may write to the Director at the Registered office of the company
10. **Payment of dividend through ECS/NECS :**

All companies are mandatorily required to use ECS/NECS facility wherever available for distributing dividends, wherein the dividend amount would be directly credited to Member's respective bank accounts.

The Members, holding shares in dematerialized form are advised to intimate the bank details/change in bank details to their respective DPs. Those Members who are holding their shares in physical form are advised to send bank details/changes therein, if any, to the RTA or to the company. In case of absence of ECS/NECS facility, the Company will send the dividend pay orders/Demand Drafts to the registered address of the Members.

To enable the Company to print the bank account details on the dividend pay orders/Demand Drafts as a security measure for the credit to the correct recipient, members are required to update their bank account details with their respective DPs, RTA or the Company.

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ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACTS, 1956.

The following Explanatory Statement sets out the material facts relating to the special business under item 5 of the accompanying Notice:

Item No. 5 :

The shareholders to note that the Equity Shares of your Company are listed on the Bombay Stock Exchange Limited, Mumbai (BSE). The market price of the shares of the Company has witnessed significant spurt in the recent past. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on 15th June 2013, considered it desirable to sub-divide the nominal value of the equity portion of the authorized share capital of the Company.

The shareholders may please note that presently the nominal value of the equity shares is ₹10/- each and consequent to the sub-division it is being divided into 10 (Ten) equity shares of Re. 1/- each. The date on which this sub-division would become effective, will be decided by the Board after obtaining the shareholders' approval, which will be notified to the Stock Exchange.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V in the Memorandum of Association of the Company relating to equity shares also need relevant amendment to give effect to the sub-division.

The Board of Directors recommends the resolution for your approval.

None of the directors is concerned or interested in the said resolution, except to the extent of shares held by them in the Company.

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

Sd/-
S Krishna Rao
Director

Date: 15.06.2013
Place: Chennai

ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT:

Name	:	Mr. Sambasivaier Swaminathan
Age	:	64
Qualification	:	B.E.
Brief Profile	:	A graduate by qualification and having experience in Business field
Shareholding in the Company	:	NIL

FIRST FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

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

Your Directors have great pleasure in presenting **28TH ANNUAL REPORT on the business and operations of your Company** with the Audited Accounts for the year ended 31st March, 2013. The financial results of the Company are summarized below:

FINANCIAL RESULTS:

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31 ST MARCH 2013	YEAR ENDED 31 ST MARCH 2012
Income from Operations	382.34	293.68
Depreciation	Nil	Nil
Profit before Taxation	69.05	38.62
Provision for Taxation	21.12	6.40
Profit after Taxation	47.94	32.22
Proposed Equity Dividend	(16.15)	--
Tax on Proposed Equity Dividend	(2.62)	--

DIVIDEND:

Your directors are pleased to recommend the dividend for the financial year 2012-13 on Equity Shares of ₹10/- each at 0.20 paise per share equivalent to 2% aggregating to ₹ 16,14,952/- (Rupees Sixteen Lacs Fourteen Thousand Nine Hundred Fifty Two Only)

FINANCIAL HIGHLIGHTS:

- Income from operations stood at ₹ 382.34 Lacs for fiscal 2013.
- Profit before taxes for fiscal 2013 was 69.05 Lacs.
- Profit after taxes for fiscal 2013 was ₹ 47.94 Lacs.
- Basic Earning per Share for fiscal 2013 was ₹ 0.61 per share.
- Net Worth of Company stood at ₹ 1703.48

DIRECTORS:

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

During the year Mr. Sourabh Patodia and Mr. P. Natrajan have been resigned as the directors of the company with effect from 31st October, 2012 and 20th February, 2013 respectively.

Further Mr. Sundaram Sankaranarayan resigned as the directors of the company with effect from 15th April, 2013.

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 2012-2013 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 31.03.2013 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.

POSTAL BALLOT

Your company has took the approval from the members of the company for diversification of the business by adopting the new objects by way of postal ballot and accordingly your company has received approval and inserted the wellness Spa and its related activities and exhibitions as other objects of the Company.

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/-
Nirmal Singh Mertia
Executive Director

Sd/-
S. Krishna Rao
Director

Place : Chennai
Date : 15.06.2013

FIRST FINANCIAL SERVICES LIMITED

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 2013, the Income from Operations of the Company stood at ₹ 382.34 Lacs as compared to previous fiscal of ₹ 293.68 Lacs.

In this fiscal, Company profits have increased from ₹ 32.22 Lacs in fiscal 2012 to ₹ 47.94 Lacs.

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 throughout 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.