

**30th ANNUAL REPORT
2014-2015**



FIRST FINANCIAL SERVICES LTD

BOARD OF DIRECTORS:

Mr. Nirmal Singh Mertia : Whole Time Director
 Mr. Vasalakotram Sudhakar : Director
 Ms. Ritu Tusham : Director

CIN: L85100TN1984PLC011231

Statutory Auditors:

M/s.S.A.R.A & Associates
 Chartered Accountants,
 A-503, Vertex Vikas Building,
 Above Mitra Nursing Home
 Sir M.V. Road Andheri (East)
 Mumbai 400069
 Tel: 26826081-84 Fax: 26826070
 Email:sara_ca@vsnl.net

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:

Axis Bank, Malad (W), Mumbai 400 064.

REGISTERED OFFICE:

2nd Floor, Old no.24 new no. 45,
 Venkata Maistry Street, Mannady,
 Chennai 600 001.
 Email: firstfinancialserviceslimited@gmail.com
 Website: www.ffslonline.com
 Contact no. 9176898788

CORPORATE OFFICE:

F-38, Sej Plaza, 1st Floor,
 Near Laxminarayan Temple,
 Marve Road, Malad West,
 Mumbai - 400064

Compliance Officer:

Mr .Nirmal Singh Mertia

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FIRST FINANCIAL SERVICES LIMITED

NOTICE

Notice is hereby given that the 30th Annual General Meeting of First Financial Services Limited will be held on Monday , 28th September, 2015 at 10.00 A.M. at the Registered Office of the Company situated at 2nd Floor Old no.24 New no. 45,Venkata Maistry Street, Mannady,Chennai 600 001, to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as on 31st March 2015 and the Profit & Loss Account of the Company for the year ended on that date together with the Directors Report and Auditor's Report thereon.
2. To re-appoint the Auditors and to fix their remuneration and in this regards pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. S A R A & Associates., the retiring auditors, (Firm Registration no. 120927W), be and are hereby re-appointed as Statutory Auditors of the Company and to hold office from the conclusion of this Annual General Meeting till the conclusion of the 4th consecutive Annual General Meeting (after commencement of the Companies Act 2013), subject to ratification by the shareholders at every Annual General meeting held after this Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time and based on the recommendation of Nomination and Remuneration Committee, consent of the members of the Company be and is hereby accorded and power is vested with the Board to approve and fix remuneration payable to Mr .Nirmal Singh Mertia, Whole Time Director of the company of Rs. 35000/- pm and other allowances as per the policy of the Company.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors.

4. To adopt new set of Articles of Association containing Articles in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Articles of Association of the company be and is hereby replaced with the new set of Articles of Association and the said new Articles of Association be and is hereby approved and adopted as the Articles of Association of the company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard."

By Order of the Board
For First Financial Services Limited

Place: Mumbai
Date: 14/08/2015

Sd/-
Nirmal Singh Mertia
Whole Time Director

Important Communique to Members-Green Initiative in Corporate Governance :

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all members to support in this noble cause.

The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the RTA/Depositories.

The Members who hold shares in physical form are requested to intimate/update their email address to the Company / RTA while Members holding shares in demat form can intimate / update their email address to their respective Depository Participants.

Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
3. PROXY FORM AND ATTENDANCE SLIP ARE ENCLOSED, PROXIES IN ORDER TO BE VALID MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special business set out in the Notice is annexed.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2015 to 28.09.2015 (both the days inclusive.) for the purpose of AGM.
6. Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.
7. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the 30th Annual General Meeting.
8. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.
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 Company at the Corporate office of the company.
10. Copies of Annual Report 2015 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2015 are being sent by the permitted mode.
11. The notice of the 30th AGM and instructions for e-Voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants(s). Members holding shares in physical form shall submit their PAN details to the Company / RTA.

13. Voting through electronic means :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) limited (CDSL). The Company has signed an agreement with CDSL for facilitating such e-Voting by the Members.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (Refer Serial no. printed on the name and the addressed sticker/postal ballot form/mail in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant First Financial Services Limited on which you choose to vote.

- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sr. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 25.09.2015 at 9.00 A.M. and ends on 27.09.2015 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Statement sets out the material facts relating to the Special business mentioned in the accompanying Notice:

Item No. 3:

Mr Nirmal Singh Mertia is holding the office of Whole Time Director of the Company. He has experience in securities and financial services and responsible for our Company's day to day operations and dealings.

The duties of the Whole Time Director shall be discharged subject to the superintendence, control and direction of the Board and he shall perform on behalf of the company in the ordinary course of business all such acts, deeds, and things, which in the ordinary course of business, he may consider necessary or proper or in the interest of the company.

Mr. Nirmal Singh Mertia shall not be liable to retire by rotation. The approval of the members is being sought to the terms of Remuneration that has been revised at the board meeting held on 14th August 2015 and the revised terms are as under:

Terms & Conditions:

- 1) Designation: Whole Time Director
- 2) Remuneration
 - a. Salary of Rs. 35000/- p.m with effect from 1st April 2015.
 - b. Other allowances as per the policy of the Company.

In view of the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013, the Board recommends the Special Resolution set out at item no. 3 of the accompanying Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives, other than Mr. Nirmal Singh Mertia, in their personal capacity is concerned or interested, financially or otherwise, in this Resolution.

Item no. 4

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 (Act).

The Act is now largely in force, on 12th September, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for the implementation. Subsequently, on 26th March, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction/confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act, which sets out the model Articles of Association for a Company Limited by Shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) The nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (b) New provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (c) new provisions relating to appointment of Chief Executive Officer and Chief Financial officer, in addition to Manager and Company Secretary;
- (d) Existing articles have been streamlined and aligned with the Act; and
- (e) the statutory provisions of the Act which permit a Company to do some acts if so authorized by its articles or provisions which require a Company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution, except as shareholders of the Company.

The Board recommends passing of the Special Resolution set out in Item no. 4 of the Notice.

**By Order of the Board
For First Financial Services Limited**

**Place: Mumbai
Date: 14/08/2015**

**Sd/-
Nirmalsingh Mertia
Whole Time Director**

30th Annual Report 2014-2015

DIRECTORS' REPORT

To,
The Members,

FIRST FINANCIAL SERVICES LTD.

Chennai

Your Directors have great pleasure in presenting 30TH ANNUAL REPORT on the business and operations of your Company with the Audited Accounts for the year ended 31st March, 2015. The financial results of the Company are summarized below:

1. FINANCIAL RESULTS:

PARTICULARS	YEAR ENDED 31 ST MARCH 2015	YEAR ENDED 31 ST MARCH 2014
Total Revenue	72,189,761	10,901,341
Profit before Taxation	(278,603)	911935
Provision for Taxation		
Current Tax	--	267914
Deferred Tax	2,130	--
Tax of earlier year	269,260	(52,441)
Profit/(Loss) After Tax	(549,993)	696462

FINANCIAL HIGHLIGHTS:

- Income from operations stood at Rs. 721.90 Lacs for fiscal 2015.
- Profit/(Loss) before taxes for fiscal 2015 was (2.79) Lacs.
- Profit/(Loss) after taxes for fiscal 2015 was Rs. (5.50) Lacs.
- Basic Earning Per Share for fiscal 2015 was Rs. (0.01) per share.
- Net Worth of Company stood at Rs. 1717.92 Lacs

2. RESERVES:

The Company does not propose to carry any amount to reserves.

3. DIVIDEND:

The directors do not recommend any dividend for the year under consideration.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report is enclosed as a part of this report.

5. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors M/s. S A R A & Associates., Practicing Chartered Accountants Mumbai of the company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is included as a part of this report.

6. LISTING WITH STOCK EXCHANGE:

The Company's shares are listed on BSE Limited. However the Company has been suspended from BSE Limited due to penal reasons w.e.f 31st December 2014.

7. DIRECTORS:

Mr. Chandrakant Mane was appointed by the Board w.e.f. 14th November 2014 and subsequently resigned from Board with effect from 15th April 2015

The independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of listing agreement.

The directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

7.1 Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of

the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Whole Time Director and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Shareholders / Investors Relations and Grievance Committee. The Directors expressed their satisfaction with the evaluation process.

7.2 Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization.

7.3 Details of Meetings held:

During the year ten Board Meetings and one independent directors' meeting were held. The Details of the meetings and attendance thereof have been given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

7.4 Re- Constitution of Committees

The Board has constituted an Audit Committee, Nomination & Remuneration Committee and a Shareholders / Investors Relations And Grievance Committee, the details of which have been mentioned in the Corporate Governance Report.

8. AUDITORS:

(i) Statutory Auditor

The retiring auditors, namely M/s S A R A & Associates, Practicing Chartered Accountants, Mumbai, 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 Companies Act, 2013. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1)(h) of the Listing Agreement. Members are requested to consider their reappointment

(ii) Secretarial Auditor:

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Binu Singh, Company Secretary in Practice has been appointed as the Secretarial Auditor. The Secretarial Audit Report submitted by Secretarial Auditor - is enclosed as a part of this report in **Annexure-1**.

(iii) Internal Auditor:

M/S Singhal & Sewak Associates, Practicing Chartered Accountants, Mumbai performed the duties of internal auditors of the company for the year 2014-15 and their report is reviewed by the audit committee from time to time.

9. Comment on Auditor's Report:

Statutory Auditor:

With respect to preliminary expenses, the Company had incurred certain expenses on account of further issue of shares as revenue expenditure which were treated as Preliminary expenses in the books of accounts of the Company. Out of the said expenses, 1/5 has been debited to profit & loss account for the financial year 2014-2015 and balance has been carried forward for the next years with expectation of future benefit. The management has now decided that if any benefit will not arise in the next financial year 2015-2016 then all the preliminary expenses will be written off in compliance with Accounting Standard 26.

As regards not making provision for retirement benefits of employees, the same has not been done in view of the meager staff strength.

Secretarial Auditor:

As regards the Company not having appointed the Key Managerial Personnel i.e. Company Secretary and Chief Financial Officer as required under section 203 of the Companies Act, 2013, the Company has made suitable efforts for the recruitment of suitable candidate for the post of Company Secretary and CFO.

As regards delay in filing of certain returns/ forms with the Registrar of Companies, these forms/returns have been filed by making the payment of the additional fee as prescribed by the law.

With regards to SEBI interim order dated December 19, 2014 the company has filed an appeal with Securities Appellate Tribunal on 12.01.2015 against the abovesaid order. The hearing took place and Securities Appellate Tribunal has directed the SEBI in the hearing held on 21st July 2015 to conclude the investigation and passed appropriate order on merits and accordance with law as expeditiously as possible preferably by June 30, 2016.

10. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- i. That in the preparation of the annual accounts for the financial year ended 31st March, 2015 the applicable accounting standard had been followed along with proper explanation relating to material departures.
- ii. That the directors had selected such accounting policies and applied them consistently and made judgments 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 and loss of the Company for the year under review.
- iii. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the directors had prepared the accounts for the financial year ended 31st March, 2015 on a going concern basis.
- v. That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Conservation of energy and technology absorption information pursuant to section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable. There is no Foreign Exchange Earnings and Outgoes during the year.

12. VIGIL MECHANISM/ WHISTLE BLOWER POLICY :

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.ffslonline.com/whistleblower.html

13. RELATED PARTY TRANSACTIONS:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC 2 is enclosed as **Annexure 2**.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Agreement. This Policy was considered and approved by the Board and has been uploaded on the website of the Company at www.ffslonline.com/relatedparty.html

14. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure 3**.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

16. REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

Sr No	Directors Name	Designation	Remuneration 2014-2015	Remuneration 2013-2014	Increase/ Decrease	Ratio/ Times per Median of employee remuneration
1	Nirmal Singh Mertia	Whole Time Director	341,282	364,076	-22,794	2.32

17. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

The company has been addressing various risks impacting the company and the policy of the company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis