

**27<sup>th</sup> 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.: ffs1@in.com / info@ffs1online.com  
Website: www.ffs1online.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:

<b>PARTICULARS</b>	<b>YEAR ENDED 31<sup>ST</sup> MARCH 2012</b>	<b>YEAR ENDED 31<sup>ST</sup> MARCH 2011</b>
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
<b>Appropriations</b>		
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 19<sup>th</sup> 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 4<sup>th</sup> 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 25<sup>th</sup> August, 2011. But the Board of Directors at their Board meeting held on 8<sup>th</sup> 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 12<sup>th</sup> March, 2012. And the Board of Directors at their Board meeting held on 28<sup>th</sup> 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 16<sup>th</sup> February 2012 and approval from NSDL on 2<sup>nd</sup> March 2012 and accordingly your company has entered the Tripartite Agreement for Dematerialization of shares.

# FIRST FINANCIAL SERVICES LIMITED

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## **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.



# FIRST FINANCIAL SERVICES LIMITED

## CORPORATE GOVERNANCE REPORT

### 1) COMPANY'S PHILOSOPHY:

The Corporate Governance code as introduced by Securities and Exchange Board of India (SEBI) in pursuance of clause 49 of Listing Agreement and subsequently amended from time to time.

The company believes in maximum utilization of resources at minimum cost and attaining maximum long term shareholders value. The company has also consistently followed good corporate policy and enhanced its value in the eyes of shareholders, Bankers, Customers and Employees.

### 2) BOARD OF DIRECTORS:

#### a) Composition and category of Directors as on 31.03.2012:

The Board of Directors of the Company comprises of a fair number of Independent professionally competent and acclaimed Non Executive Directors. The Board of Directors of the Company consists of Five Members.

Mr. P Natrajan.	- Director & Promoter
Mr. S Krishna Rao.	- Non-Executive & Non-Independent Director
Mr. Sundaram Sankaranarayanan.	- Non-Executive & Independent Director
Mr. Sambasivan swaminathan	- Non-Executive & Independent Director
Mr. Nirmal Singh Mertia	- Executive & Non-Independent Director

None of Directors has pecuniary or Business relationship with the Company except as mentioned elsewhere in the Annual Report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

During the year there were in total Ten Board Meetings were held i.e. on 27.04.2011, 26.07.2011, 17.08.2011, 03.09.2011, 09.11.2011, 08.12.2011, 13.12.2011, 07.01.2012, 09.02.2012 and 16.02.2012. The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes

Sl. No.	Name of Director	Category	No of Meetings Attended	Attendance at Last AGM	No. of Directorships	No. of Committee membership In Companies
1.	Mr P Natarajan	Director	10	Yes	3	2
2.	Mr S Krishna Rao	Director	10	Yes	5	3
3.	Mr.Sambasivan Swaminathan	Director	3	Yes	1	1
4.	Mr.Sundaram Sankaranarayanan	Director	3	Yes	1	2
5.	Mr. Nirmal Singh Mertia	Executive Director	8	Yes	1	1

During the year Mr. Ashok Bothra and Mr. S G F Milka Singh has been resigned as a directors of the company with effect from 26<sup>th</sup> July 2011 and 9<sup>th</sup> January 2012 respectively.

### 3) AUDIT COMMITTEE

The Audit Committee has the following Members:-

- Mr Sambasivan Swaminathan
- Mr Sundaram Sankaranarayanan
- Mr S Krishna Rao

During the year, the Audit Committee met 4 times i.e on 27<sup>th</sup> April, 2011, 26<sup>th</sup> July 2011, 9<sup>th</sup> November 2011 and 9<sup>th</sup> February 2012.

### 4) REMUNERATION COMMITTEE

The Remuneration Committee has the following Members:-

- Mr Sundaram Sankaranarayanan
- Mr P Natarajan
- Mr S Krishna Rao

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### 5) SHAREHOLDERS GRIEVANCES / INVESTOR'S SERVICE COMMITTEE

The Shareholders Grievance Committee has the following Members:-

1. Mr S Krishna Rao
2. Mr P Natarajan
3. Mr S G F Melkha Singh\*
4. Mr. Nirmal Singh Mertia

\*During the year Mr. S G F Milka Singh, member of the Shareholder Grievance Committee has been resigned and Mr. Nirmal Singh Mertia has been appointed as a member of the Committee.

During the year, the Share Transfer and Investor's Service Committee met 4 times on 27<sup>th</sup> April, 2011, 26<sup>th</sup> July 2011, 9<sup>th</sup> November 2011 and 9<sup>th</sup> February 2012

### 6) GENERAL BODY MEETINGS :

#### A. Particulars of General meetings held during last three years

Year	Location	Date	Time
2008-2009	New No.26, Old No 20, Ramakrihna Street, Off North Usma Road, T. Nagar, Chennai 17.	27.02.2010	03.00 P.M.
2009-2010	2C, Ram Mansion,367 Pantheon Road, Egmore, Chennai 600 008.	05.07.2010	03.00 P.M.
2010-2011	2C, Ram Mansion,367 Pantheon Road, Egmore, Chennai 600 008.	30.09.2011	04.00 P.M

#### B. Extraordinary General meetings held during the year:

Date	Location	Time
25.08.2011	2C, Ram Mansion,367 Pantheon Road, Egmore, Chennai 600 008.	04.30 P.M.
31.12.2011	2C, Ram Mansion,367 Pantheon Road, Egmore, Chennai 600 008.	04.30 P.M.
12.03.2012	2C, Ram Mansion,367 Pantheon Road, Egmore, Chennai 600 008.	04.30 P.M.

### 7) DISCLOSURES:

During the year under review, besides the transactions reported elsewhere, there were no other related party transactions of material nature with the promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large.

There were no fresh instances of Non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI, except delay in filing of returns with the BSE, revocation of suspension in Trading.

Now, your Company has filed all the pending returns with BSE and has received the Trading Permission.

### 8) MEANS OF COMMUNICATION:

a. Quarterly un-audited Financial Results were publishes during the Financial year as follows:

Financial Result	Un-audited / Audited*	Newspaper
First Quarter	Un-audited	Trinity Mirror and Makkal Kural
Second Quarter	Un-audited	Financial Express and Tamil Sudar
Third Quarter	Un-audited	Financial Express and Tamil Sudar
Fourth Quarter / Full year	Audited	Financial Express and Tamil Sudar

\* The Board of Directors of the Company approved and took on record the Un-Audited / Audited financial results within 45 days of quarter / half year and communicated the result to the Stock Exchange where the shares of the Company is listed and published in news papers as indicated above and also put on Company's website [www.ffslonline.com](http://www.ffslonline.com)

Note: Un-audited Financial Results were intimated to Stock Exchanges within 45 days of first three quarters and Audited Financial Results for the last quarter /financial year ending within 60 days of close of financial year.

#### b. MANAGEMENT DISCUSSION AND ANALYSIS

The Directors Report includes management Discussions and analysis.

# FIRST FINANCIAL SERVICES LIMITED

## c. GENERAL SHAREHOLDERS INFORMATION:

The 27th Annual General Meeting is scheduled to be held on Saturday, 29th September, 2012 at 04.00 p.m. at its registered office, 2 C, Ram Mansion, 367 Pantheon Road, Egmore, Chennai 600 008.

The Financial year of the company is from April to March.

Tentative calendar for the year 2012-13 is as per following:-

Results for the quarter ending on 30th June 2012: Second week of August 2012.

Results for the quarter ending on 30th Sept. 2012: Second Week of Nov. 2012.

Results for the quarter ending on 31st Dec. 2012: Second Week of Feb. 2013.

Results for the quarter ending on 31st March 2013: Last Week of May 2013.

Book Closure dates are from 25th September 2012 to 29th September 2012 (both days inclusive).

The Board of Directors has not proposed any dividend for the current financial year.

The company's shares are listed at the Bombay Stock Exchange, Mumbai and the Annual listing fees as prescribed by the Bombay Stock Exchange where shares of the Company is listed is paid upto 31st March 2013.

### Stock Code

Trading Symbol at : Bombay Stock Exchange Limited (Physical Segment)  
511369 FIRFIN

Demat ISIN Number in : Equity Shares INE141N01017

NSDL & CDSL

**Share Transfer System** : Share transfer in physical form are presently registered and returned within a period of 30 days from the date of lodgment, in case the documents are complete in all respects. The Share Transfer Committee meets once a month if there are transfers to be approved.

### Stock Market data from April 2011 to March 2012:

Since, the trading was resumed by BSE on 8th July, 2011 pursuant to its revocation on suspension and the trading window was available during these days. The shares of the Company are infrequently traded at the Stock Exchange. However, from the revocation on suspension till 31.03.2012 only two trades had taken place i.e. on 08.07.2011 and 16.11.2011 at Rs. 7.12 and Rs. 5.10 respectively

### DISTRIBUTION OF SHAREHOLDINGS AS ON 31st March 2012

Shares or Debentures Holding of nominal value of	Shares / debenture Holders		Share / Debenture amount	
	Number	% total	( In Rs.)	% of total
Rs. Upto 5000	5465	98.75	1124350	1.93
5001 - 10000	2	0.036	13800	0.02
10001 - 20000	4	0.07	58100	0.09
30001 - 40000	4	0.07	141900	0.24
50001 - 100000	4	0.07	349500	0.60
100001 and above	55	0.99	56559950	97.10
<b>Total</b>	<b>5534</b>	<b>100.00</b>	<b>58247600</b>	<b>100.00</b>

### Registrar and Transfer Agent.

The name and address of Company's Transfer Agent is as per following:

#### 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

### GDRs / ADRs/Warrant etc.:

The Company did not issue any GDRs / ADRs/Warrants or any convertible instruments.

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### AUDITORS' REPORT ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by First Financial Services Ltd., for the year ended on 31<sup>st</sup> March, 2012, as stipulated in Clause 49 of listing agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the company as per the records maintained by the Share transfer-cum-investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For DHARMARAJ & CO.,  
Chartered Accountants,  
Firm Regn No.013630s**

**P. Dharmaraj  
Proprietor  
M. No. 224216**

**Place : Chennai  
Date : 29-05-2012**

# FIRST FINANCIAL SERVICES LIMITED

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## CEO/CFO CERTIFICATION

To  
The Board of Directors

**FIRST FINANCIAL SERVICES LTD**  
Chennai

Dear Sirs,

We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2012 and to the best of our knowledge and belief that:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- iii. No transactions entered into by the Company during the above said period which are fraudulent, illegal or volatile of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors that:

- iv. There is no significant changes in internal control over financial reporting during the year;
- v. There is no significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
- vi. There is no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **FIRST FINANCIAL SERVICES LIMITED**

*Sd/-*  
(Director)

Place : Chennai  
Date : 29.05.2012

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**AUDITORS' REPORT TO THE MEMBERS OF FIRST FINANCIAL SERVICES LTD**

1. We have audited the attached Balance Sheet of FIRST FINANCIAL SERVICES LTD as at 31<sup>st</sup> March 2012 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 misstatement. An audit includes (a) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements (b) assessing the accounting principles used in the preparation of financial statements (c) assessing significant estimates made by management in the preparation of financial statements and (d) evaluating the overall financial statement preparation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) amendment order, 2004, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above we report that:

- a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of, audit.
- b) In our opinion, the Company has kept proper books of accounts as required by law so far, as appears from our examination of those books.
- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet and Profit & Loss Account, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012, and take on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as directors in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account together with the Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In the case of Balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012
  - ii) In the case of Profit and loss Account, of the profit for the year ended 31<sup>st</sup> March 2012
  - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For and on behalf of  
DHARMARAJ & CO.,  
Chartered Accountants,  
Firm Regn No.013630s**

*Sd/-*  
**P.Dharmaraj  
Proprietor.  
Membership No. 224216**

**Date: 29 May, 2012**

**Place: Chennai**

# FIRST FINANCIAL SERVICES LIMITED

Annexure referred to in paragraph 3 of Auditors' Report to the Members of FIRST FINANCIAL SERVICES LTD on the accounts for the year ended 31<sup>st</sup> March 2012.

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- 1) The Company does not have any fixed assets as it was disposed in earlier year. Hence this clause is not applicable to the company.
- 2) a) The Company does not hold any inventories except shares and hence the clause is not applicable.
- 3) a) The company has not granted a loan, to companies, firms or other parities covered in the Register maintained under section 301 of the Companies Act, 1956.  
b) As informed to us, the Company has not taken loan from member's covered in the register maintained under section 301 of the Companies Act, 1956, and other terms and conditions of loans taken by the company are not prima facie prejudicial to the interest of the company.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for purchase of Inventory, Fixed Assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weakness in internal control systems.
- 5) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there were no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Hence this clause is not applicable.
- 6) The Company has not accepted any deposits within the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8) As explained to us, the Central Government has not prescribed maintenance of Cost Record for any of the products manufactured by the Company under section 209 (1) (d) of the Companies Act, 1956.
- 9) a) The company has been regular in depositing undisputed statutory dues including Service Tax, Income tax, Employees State Insurance, Provident Fund, with the appropriate authorities.  
b) According to the information and explanation given to us, no undisputed amounts payable in respect of Service Tax, Income tax, Employees State Insurance, Provident Fund, and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.
- 10) The company does not have accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year under report.
- 11) According to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holder.
- 12) As explained to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the company is not a chit fund, nidhi or mutual benefit fund/society.
- 14) The Company has been dealing in shares, securities, debenture and other investments for which proper records has been maintained by the Company of the transaction and contracts and timely entries have been made therein. As informed to us shares, securities and debentures are generally held by the Company in its own name.
- 15) According to the information and explanation given to us, the company has not given guarantee for loans taken by others from bank or financial institutions.
- 16) In our opinion, term loans are applied for the purpose of which they were obtained.
- 17) According to the information and explanation given to us, and based on financial statement of the Company, we report that no funds raised on Short-term basis have been used for long-term investment.
- 18) The company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- 19) The company has not issued debentures during the year.
- 20) The company has not raised any money through a public Issue during the year.
- 21) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial Statement and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For and on behalf of  
DHARMARAJ & CO.,  
Chartered Accountants,  
Firm Regn No.013630s**

*Sd/-*

**P. Dharmaraj  
Proprietor**

**Membership No. 224216**

**Date: 29 May, 2012**

**Place: Chennai**

## 27th Annual Report 2011-2012

### BALANCE SHEET AS AT MARCH 31, 2012

(Amount in INR)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
<b>I Equity &amp; Liabilities</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	2	58,247,600	37,476,000
(b) Reserves and Surplus	3	65,481,376	(25,969,172)
(c) Money received against share warrants		-	-
		<b>123,728,976</b>	<b>11,506,828</b>
<b>2. Share application money pending allotment</b>		<b>40,500,000</b>	-
<b>3. Non - Current Liabilities</b>			
(a) Long -Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long - Term Liabilities		-	-
(d) Long - Term Provisions		-	-
<b>4. Current Liabilities</b>			
(a) Short - Term Borrowings	4	2,500,000	10,125,107
(b) Trade Payables	5	43,418	17,600,000
(c) Other Current Liabilities	6	6,499,614	-
(d) Short - Term Provisions	7	755,961	10,000
		<b>9,798,993</b>	<b>27,735,107</b>
<b>TOTAL</b>		<b>174,027,969</b>	<b>39,241,935</b>
<b>II Assets</b>			
<b>1. Non - Current Assets</b>			
(a) Fixed Assets		-	-
(i) Tangible Assets		-	-
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(b) Non - Current Investments		-	-
(c) Long - Term Loans and Advances		-	-
(d) Other Non - Current Assets		-	-
<b>2. Current Assets</b>			
(a) Inventories		91,058,384	29,802,542
(b) Trade Receivables	8	2,327,609	1,000,103
(c) Cash and Cash equivalents	9	505,302	1,136,449
(d) Short - Term Loans and Advances	10	77,907,046	6,122,841
(e) Other Current Assets	11	2,229,629	1,180,000
		<b>174,027,969</b>	<b>39,241,935</b>
<b>TOTAL</b>		<b>174,027,969</b>	<b>39,241,935</b>
<b>Significant Accounting Policies</b>	1		

As per our report of even date

**For Dharmaraj & Co.,**

Chartered Accountants

FRN : 013630s

Sd/-

Dharmaraj

Proprietor

M. No. 224216

Place : Chennai

Date : 29-May-2012

**For and on behalf of the Board**

**First Financial Services Ltd.**

Sd/-

Nirmal Singh Mertia

Executive Director

Sd/-

S. Krishna Rao

Director



# FIRST FINANCIAL SERVICES LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

(Amount in INR)

Particulars	Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
<b>I</b> Revenue from Operations	12	28,057,347	6,555,171
Closing Stock		91,058,384	29,802,542
<b>II</b> Other Income	13	1,310,261	6,767,046
<b>III Total Revenue (I + II)</b>		<b>120,425,992</b>	<b>43,124,759</b>
<b>IV Expenses</b>			
Opening Stock		29,802,542	-
Purchases	14	82,990,166	33,524,577
Employee Benefits Expenses	15	465,113	36,580
Finance Costs	16	1,248,742	127,091
Depreciation and Amortization Expense		-	-
Operation Expenses	17	2,057,129	851,047
<b>Total Expense</b>		<b>116,563,692</b>	<b>34,539,294</b>
<b>V Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>3,862,300</b>	<b>8,585,465</b>
<b>VI</b> Exceptional Items		-	-
<b>VII Profit before Extraordinary Items and Tax (V-VI)</b>		<b>3,862,300</b>	<b>8,585,465</b>
<b>VIII</b> Extraordinary Items		-	-
<b>IX Profit Before Tax (VII-VIII)</b>		<b>3,862,300</b>	<b>8,585,465</b>
<b>X Tax Expense:</b>			
(a) Current Tax		735,961	-
(b) Deferred Tax		-	-
(c) Tax of Earlier Year		-	-
(d) MAT Credit Entitlement		(95,810)	-
		<b>640,151</b>	-
<b>XI Profit for the Period from Continuing Operations (IX - X)</b>		<b>3,222,148</b>	<b>8,585,465</b>
<b>XII</b> Profit/(Loss) for the Period from Discontinuing Operations		-	-
<b>XIII</b> Tax Expense of Discontinuing Operations		-	-
<b>XIV Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)</b>		-	-
<b>XV Profit for the Period (XI + XIV)</b>		<b>3,222,148</b>	<b>8,585,465</b>
<b>XVI Earnings Per Equity Share (Face Value Rs. 10/- Per Share):</b>	18		
Basic (Rs.)		1.54	2.29
<b>Significant Accounting Policies</b>	1		

As per our report of even date

**For Dharmaraj & Co.,**

Chartered Accountants

FRN : 013630s

Sd/-

Dharmaraj

Proprietor

M. No. 224216

Place : Chennai

Date : 29-May-2012

**For and on behalf of the Board**

**First Financial Services Ltd.**

Sd/-

Nirmal Singh Mertia

Executive Director

Sd/-

S. Krishna Rao

Director

## 27th Annual Report 2011-2012

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012 ₹	Year ended 31st March, 2011 ₹
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax for the year	3,862,300	8,585,465
<b>Adjustments for :</b>		
Misc. Expenses w/off	618,748	295,000
Dividend Received	(267,605)	-
Interest Received	(992,322)	(297,288)
Interest Paid	1,229,074	125,107
<b>Operating Profit before Working Capital change</b>	<b>4,450,195</b>	<b>8,708,284</b>
<b>Adjustments for :</b>		
Decrease/(Increase) in Receivables	(1,327,506)	3,953,385
Decrease/(Increase) in Inventories	(61,255,842)	(29,802,542)
Decrease/(Increase) in Loans & Advances	(70,904,132)	(5,884,710)
Decrease/(Increase) in Other Current Assets	(1,668,377)	-
Increase/(Decrease) in Payables	(17,556,582)	-
Increase/(Decrease) in Current Liabilities & Provisions	6,605,424	17,605,000
Decrease/(Increase) in Tax Deducted at Source	(880,074)	(238,131)
<b>Cash Generated From Operations</b>	<b>(142,536,893)</b>	<b>(5,658,715)</b>
Income Tax paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>	<b>(142,536,893)</b>	<b>(5,658,715)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend Received	267,605	-
Rent Received	-	-
Interest Received	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>	<b>267,605</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Capital	54,500,000	-
Share Application Money	40,500,000	-
Share Premium	54,500,000	-
Loan taken / (Repaid) in Secured Loan	(7,625,107)	(1,857,518)
Loan taken / (Repaid) in Unsecured Loan	-	8,434,378
Interest paid	(1,229,074)	(125,107)
Interest received	992,322	297,288
<b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>	<b>141,638,141</b>	<b>6,749,041</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(631,147)	1,090,326
Cash and Cash Equivalents -- Opening Balance	1,136,448	46,122
Cash and Cash Equivalents -- Closing Balance	505,301	1,136,448
	(0)	(0)

Note: Previous year's figures have been regrouped/rearranged wherever considered necessary.

As per our report of even date

**For Dharmaraj & Co.,**  
Chartered Accountants  
FRN : 013630s

Sd/-

Dharmaraj  
Proprietor  
M. No. 224216  
Place : Chennai  
Date : 29-May-2012

**For and on behalf of the Board**  
**First Financial Services Ltd.**

Sd/-

Nirmal Singh Mertia  
Executive Director

Sd/-

S. Krishna Rao  
Director

# FIRST FINANCIAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### NOTE – 1

#### A. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. Basis of Preparation:

The financial statements have been prepared under the historical cost convention and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956. All income and expenditure having material bearing on the financial statements have been recognized on the accrual basis.

##### 2. Use of Estimates:

The preparation of financial statement are in conformity with generally accepted accounting principals which requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at on the date of financial statements and the results of operation during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### 3. Accounting of Income/Expenditure:

All income and expenditure items having a material bearing on the financial statements are recognised on accrual basis except in the case of dividend incomes, debenture interest and interest receivable from/payable to government on tax refunds/late payment of taxes, duties/levies which are accounted for on cash basis.

##### 4. Stock in Trade:

Closing stock in case of quoted shares has been valued at cost or market value whichever is lower. Wherever quotations are not available as on 31 March 2012, inventory has been valued at last traded price or at cost whichever is lower. Wherever quotations are not available due to scrip has been suspended / delisted for a considerable period of time by stock exchanges has been valued at nil rate. And Closing Stock for unquoted shares had been valued at cost.

##### 5. Taxation:

Provision for income tax has been made in accordance with normal provisions of Income Tax, 1961. The deferred tax for timing difference between the book and tax profits for the year is accounted for, using tax rates and laws that have been substantively enacted as of the balance sheet date.

##### 6. Earning per Share

Basic earning per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average, No of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders by the weighted average, No of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### B. NOTES ON ACCOUNTS:

1. Contingent liability not provided for is Rs. Nil (Previous Year amounting Rs. Nil)

2. Salary includes amount of Managerial Remuneration as under:

Particulars	2011-2012 ₹	2010-2011 ₹
Directors' Remuneration	1,20,000	Nil

3. Auditors' Remuneration :

Particulars	2011-2012 ₹	2010-2011 ₹
Auditors' Remuneration	20,000	10,000

4. Foreign Currency Transactions:

Earning / Expenditure in foreign currency Rs. Nil (P.Y. Rs. Nil)

5. Earning Per Share:

Particulars	2011-2012 ₹	2010-2011 ₹
Basic & Diluted	1.92	2.29

## 27th Annual Report 2011-2012

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

6. Balances of the Sundry Debtors, Loans and Advances and Sundry Creditors are subject to confirmation and resultant reconciliation, if any.
7. There are no dues to Micro and Small Enterprises as at 31<sup>st</sup> March, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
8. During the current fiscal year i.e. F.Y. 2011-12 the Company had received the approval for reduction of capital from High Court, Madras for the paid up capital. 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. Therefore, the Company had cancel 33,72,840 equity shares of Rs. 10/- each by cancelling 9 equity shares for every 10 share of Rs. 10/- each held by the shareholders.
9. During the current financial year i.e. FY 2011-12, Company has issued 54,50,000 Equity Shares of face value of Rs. 10/- at an issue price of Rs. 20/- per Equity Share by way of Preferential Issue making total subscribed, issued and paid up equity share capital to Rs. 58,247,600/- divided into 58,24,760 equity shares of Rs. 10/- each.
10. Details of Stock in Trade: (Shares & Securities)

Particulars	As at 31.03.2012		As at 31.03.2011	
	Qty Nos.	Amount (in ₹)	Qty Nos.	Amount (in ₹)
<b>Quoted Shares</b>				
Gujarat NRE Coke Ltd.	2,000	99,600	2,000	99,600
8K Miles Software Services Ltd.	650	26,078	650	26,078
Ravi Kumar Distilleries Ltd.	796,751	9,757,570	3,000	105,150
RPP Infra Projects Ltd.	85,605	5,798,014	288,105	18,971,714
Splash Media & Infra Ltd.	1,045,571	31,965,299	-	-
Kallam Spinning Mills Ltd.	1,600	44,800	-	-
Money Matters Financial Services Ltd	138,068	12,267,023	-	-
<b>Total [A]</b>	<b>2,070,245</b>	<b>59,958,384</b>	<b>293,755</b>	<b>19,202,542</b>
<b>Unquoted Shares</b>				
Dixon Exports & Finance Pvt. Ltd.	10,000	1,000,000	10,000	1,000,000
Onesource Techmedia Ltd	50,000	500,000	50,000	500,000
Righteous Global Logistics Pvt. Ltd.	10,000	1,000,000	10,000	1,000,000
Seaindia Freight Systems Pvt. Ltd.	1,500	1,500,000	1,500	1,500,000
Siddharth Merchandile Pvt. Ltd.	-	-	27,000	1,000,000
SKB Finance Ltd	-	-	1,200	600,000
Sri Manav Const. Dev. Pvt. Ltd.	50,000	5,000,000	50,000	5,000,000
Euro Woods & Timbers Pvt. Ltd.	20,000	3,000,000	-	-
LRG Properties Pvt. Ltd.	128,000	1,600,000	-	-
Malpani Alloys Extrusions Pvt. Ltd	10,000	1,000,000	-	-
Marsh Steel Ltd	20,000	5,000,000	-	-
Marsh Steel trading Pvt. Ltd.	20,000	5,000,000	-	-
Noble Services Express Pvt Ltd	2,000	500,000	-	-
Ultra Veneers & Boards Pvt. Ltd.	10,000	1,000,000	-	-
Vision Steel Ltd	20,000	5,000,000	-	-
<b>Total [B]</b>	<b>351,500</b>	<b>31,100,000</b>	<b>149,700</b>	<b>10,600,000</b>
<b>TOTAL [A+B]</b>	<b>2,421,745</b>	<b>91,058,384</b>	<b>443,455</b>	<b>29,802,542</b>

11. The Previous year's figures have been regrouped / rearranged / reclassified wherever necessary. Amounts and other disclosures for the preceding financial year are included as an integral part of current year's financial statements.

# FIRST FINANCIAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 2 - Share Capital

	(Amount in INR)	
(a) Particulars	As at March 31, 2012	As at March 31, 2011
<b>Authorised :</b>		
1,60,00,000 Equity Shares (Previous Year 50,00,000) of Rs. 10/- each	160,000,000	50,000,000
<b>TOTAL</b>	<b>160,000,000</b>	<b>50,000,000</b>
<b>Issued and Subscribed :</b>		
92,00,000 Equity Shares (Previous Year 37,50,000) of Rs. 10/- each	92,000,000	3,750,000
<b>TOTAL</b>	<b>92,000,000</b>	<b>3,750,000</b>
<b>Subscribed and Paid-up :</b>		
58,24,760 Equity Shares (Previous Year 37,47,600) of Rs. 10/- each	58,247,600	37,476,000
<b>TOTAL</b>	<b>58,247,600</b>	<b>37,476,000</b>
<b>(b) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.</b>		
i) The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended 31st March 2012, the Company has not declared any dividend.		
ii) On receipt of shareholders' approval in EGM on 25th August, 2011 the Company has increased its authorised share capital from Rs. 5,00,00,000/- (Rupees Five Crores) to Rs. 16,00,00,000/- (Rupees Sixteen Crores) & has altered its Memorandum & Articles of Association accordingly.		
iii) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.		
<b>(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b>		
Particulars	As at March 31, 2012	As at March 31, 2011
<b>No. of shares at the beginning of the year</b>	3,747,600	50,000
<b>Less: Reduction of Shares during the year</b>		
Share Capital Reduction	3,372,840	3,372,840
<b>No. of Shares after Capital Reduction</b>	<b>374,760</b>	
<b>Add: Issue of Shares during the year</b>		
Subscriber to the Memorandum	-	-
Private Placement	5,450,000	-
	5,450,000	-
<b>No. of shares at the end of the year</b>	<b>5,824,760</b>	<b>50,000</b>
<b>Aggregate details for five immediately previous reporting periods for each class of shares</b>		
(d) Particulars	As at March 31, 2012	As at March 31, 2011
- No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- No. of shares allotted as fully paid by way of Bonus Shares	-	-
- No. of shares bought back	-	-
<b>Details of shareholders holding more than 5% shares in the company</b>		

## 27th Annual Report 2011-2012

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(e) No. of Shares held by	As at March 31, 2012		As at March 31, 2011	
	Nos.	%	Nos.	%
Amit Hasmukhbhai Patel HUF	375,000	6.44%	-	0.00%
Hasmukhbhai Bakorbhai Patel HUF	375,000	6.44%	-	0.00%
Jayanthi N	NA	NA	50,902	13.58%
Natarajan P	NA	NA	117,953	31.47%

**Detailed note on shares reserved to be issued under options and contracts / commitment for the sale of shares / divestments including the terms and conditions.**

(f) The company does not have any such contract / commitment as on reporting date.

**Detailed terms of any securities convertible into shares, e.g. in the case of convertible warrants, debentures, bonds etc.**

(g) The company does not have any securities convertible into shares as on reporting date.

#### Note 3 - Reserves & Surplus

Particulars	(Amount in INR)	
	As at March 31, 2012	As at March 31, 2011
<b>Securities Premium</b>		
(i) As per last Balance Sheet	-	-
Add: On Shares issued during the year	54,500,000	54,500,000
<b>General Reserve</b>		
(ii) As per last Balance Sheet	1,722,000	1,722,000
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
	1,722,000	1,722,000
<b>Capital Reserve</b>		
(iii) As per last Balance Sheet	4,840,000	4,840,000
Add: Transferred from Profit and Loss Account	-	-
Less: Transferred to Profit and Loss Account	-	-
	4,840,000	4,840,000
<b>Surplus in the Profit &amp; Loss Account</b>		
(iv) As per last Balance Sheet	(32,531,172)	(41,116,637)
Add: W/off pursuant to Capital Reduction	33,728,400	-
Add: Profit / (Loss) for the year	3,222,148	8,585,465
Amount available for appropriations	4,419,376	(32,531,172)
<b>Appropriations:</b>		
Add: Transferred from reserves	-	-
Less: Transferred to General reserve	-	-
Proposed dividend	-	-
Corporate Dividend Tax	-	-
	4,419,376	(32,531,172)
<b>TOTAL</b>	<b>65,481,376</b>	<b>(25,969,172)</b>

# FIRST FINANCIAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 4 - Short Term Borrowings

Particulars	As at March 31, 2012	(Amount in INR) As at March 31, 2011
(a) Loans repayable on demand		
From banks		
Secured		1,857,518
Less: W/off during the year		(1,857,518)
Unsecured	-	-
	-	-
(b) Loans and advances from Other		
Secured	-	-
Unsecured	2,500,000	11,815,836
Less: Paid & W/off during the year	-	(1,690,729)
	2,500,000	10,125,107
	<b>2,500,000</b>	<b>10,125,107</b>

### Note 5 - Trade Payables

Current payables (including acceptances) outstanding for less than 12 months	43,418	17,600,000
	<b>43,418</b>	<b>17,600,000</b>

### Note 6 - Other Current Liabilities

Salaries Payable	233,929	-
TDS Payable	3,200	-
Bank Overdraft	6,262,485	-
<b>TOTAL</b>	<b>6,499,614</b>	<b>-</b>

### Note 7 - Short-Term Provisions

Provision for Audit fees	20,000	10,000
Provision for Taxation (net of taxes paid)	735,961	-
Provision for Proposed Dividend	-	-
Provision for Tax on Proposed Dividend	-	-
<b>TOTAL</b>	<b>755,961</b>	<b>10,000</b>

### Note 8 - Trade Receivables

#### (a) (i) Due for a period exceeding six months

- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
	-	-

#### (ii) Others

- Unsecured, considered good	2,327,609	1,000,103
- Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
	2,327,609	1,000,103
<b>TOTAL</b>	<b>2,327,609</b>	<b>1,000,103</b>

## 27th Annual Report 2011-2012

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Detailed note on debts due by the following persons :

(b) Particulars	(Amount in INR)	
	As at March 31, 2012	As at March 31, 2011
(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/ director	-	-
<b>TOTAL</b>	<u>-</u>	<u>-</u>

#### Note 9 - Cash & Cash equivalents

##### Cash & Cash Equivalents

(i) Balances with Banks :		
- Current Accounts	289,998	882,441
- Deposit Accounts	-	
(ii) Cash-in-hand	215,304	254,008
(iii) Cheques & Drafts in-hand	-	-
<b>TOTAL</b>	<u>505,302</u>	<u>1,136,449</u>
	<u>505,302</u>	<u>1,136,449</u>

#### Note 10 - Short Term Loans & Advances

##### (a) (i) Security deposits

Secured, considered good	10,000,000	-
Unsecured, considered good	1,138,118	1,085,710
Doubtful	-	-
	<u>11,138,118</u>	<u>1,085,710</u>

##### (ii) Share Application Money Given

11,000,000	-
------------	---

##### (iii) Advance income tax and TDS - Unsecured considered good

Tax deducted at source (A.Y. 2011-2012)	-	238,131
Tax deducted at source (A.Y. 2012-2013)	852,514	-
MAT Credit Entitlement	95,810	-
I.T. refund (A.Y. 2011-2012)	169,881	-
	<u>1,118,205</u>	<u>238,131</u>

##### (iv) Others

Secured, considered good	54,650,724	
Unsecured, considered good	-	4,799,000
Doubtful	-	-
	<u>54,650,724</u>	<u>4,799,000</u>
<b>TOTAL</b>	<u>77,907,046</u>	<u>6,122,841</u>

#### Note 11 - Other Current Assets

Prepaid Expenses	49,635	-
Miscellaneous Expenditure to the extent not w/off	1,180,000	1,475,000
Add: During the year	1,618,742	
Less: W/off during the year	(618,748)	(295,000)
	<u>2,179,994</u>	<u>1,180,000</u>
<b>TOTAL</b>	<u>2,229,629</u>	<u>1,180,000</u>



# FIRST FINANCIAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### Note 12 - Revenue from Operations

Particulars	For the year ended March 31, 2012	(Amount in INR) For the year ended March 31, 2011
Sales	20,444,226	4,122,661
Commission Income	7,613,121	1,555,770
Income from Consultancy	-	876,740
	<b>28,057,347</b>	<b>6,555,171</b>
<b>TOTAL</b>	<b><u>28,057,347</u></b>	<b><u>6,555,171</u></b>

### Note 13 - Other Income

Interest Recd	992,322	297,288
Dividend Income	267,605	-
Other Misc. income	50,334	21,511
Fixed Depositors W/off	-	1,590,729
Secured Loan W/off	-	1,857,518
Profit on sale of Assets	-	3,000,000
	<b>1,310,261</b>	<b>6,767,046</b>
<b>TOTAL</b>	<b><u>1,310,261</u></b>	<b><u>6,767,046</u></b>

Purchases	82,990,166	33,524,577
<b>TOTAL</b>	<b><u>82,990,166</u></b>	<b><u>33,524,577</u></b>

### Note 15 - Employment Benefit Expenses

Salary	443,173	36,000
Staff Welfare Expenses	21,940	580
<b>TOTAL</b>	<b><u>465,113</u></b>	<b><u>36,580</u></b>

### Note 16 - Financial Costs

Bank Charges	19,668	1,984
Interest Expenses	1,229,074	125,107
<b>TOTAL</b>	<b><u>1,248,742</u></b>	<b><u>127,091</u></b>

### Note 17 - Operation Expenses

Advertisement Expenses	78,140	36,278
Director Remunerations	120,000	-
CDSL / NSDL Processing Fees	46,911	-
BSE Listing Fees	141,364	-
Consultancy Fees	67,419	58,545
Conveyance Expenses	18,095	4,860
General Expenses	-	5,438
Legal & Professional Fees	134,255	40,000
ROC Filing Fees	18,590	-
Retainership Fees	90,000	-
Listing Fees	-	174,494
Miscellaneous Expenditure W/off	618,748	295,000

## 27th Annual Report 2011-2012

Particulars	(Amount in INR)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Rent	63,565	9,300
Postage & Courier	22,469	97,715
Printing & Stationery	49,965	27,978
Payments to Auditors :		
- Audit fees	20,000	10,000
- Tax Audit fees	-	-
- For Other Services	-	-
- For Reimbursement of Expenses	20,000	10,000
Repairs & Maintainance	-	-
Subscription Fees	14,339	17,917
SEBI Stamp duty & TOC	9,269	4,927
Service Tax	24,139	11,612
STT Charges	89,075	30,982
Sundry Balances W/off	350,000	
Travelling Expenses	69,185	26,000
Website Expenses	11,600	-
<b>TOTAL</b>	<b><u>2,057,129</u></b>	<b><u>851,047</u></b>

### Note 18 - Earnings Per Equity Share

<b>(a)</b> Net profit after tax attributable to equity shareholders for		
Basic EPS	3,222,148	8,585,465
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for	3,222,148	8,585,465
Diluted EPS		
<b>(b)</b> Weighted average no. of equity shares outstanding during the year		
For Basic EPS	2,087,192	3,747,600
<b>(c)</b> Face Value per Equity Share (₹)	10.00	10.00
Basic EPS	1.54	2.29

### Note 19 - Amounts due to Micro, Small and Medium Enterprises:

Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosures are required to be made related to micro, small and medium enterprise. The company does not have any transactions with such entities.

### Note 20-Previous year figures

The figures of the previous year have been re-arranged, re-grouped and re- classified wherever necessary.

As per our report of even date

**For Dharmaraj & Co.,**  
Chartered Accountants

FRN : 013630s

Sd/-

Dharmaraj

Proprietor

M. No. 224216

Place : Chennai

Date : 28-May-2012

**For & on behalf of the Board**

Sd/-

Nirmal Singh Mertia

Director

Sd/-

S. Krishna Rao

Director

## FIRST FINANCIAL SERVICES LIMITED

**Regd Office:** No.2C Ram Mansion, 2nd Floor, 367 Pantheon Road, Egmore, Chennai - 600008  
(Please complete this attendance slip and hand it over at the entrance of the registered office)

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company being held on Saturday, 29th September 2012 at 4.00 p.m at the Registered office of the Company.

NAME OF SHARE HOLDER : \_\_\_\_\_

NAME OF PROXY \_\_\_\_\_

(To be filled in the case the proxy attends instead of Shareholder)

SIGNATURE OF SHAREHOLDER/PROXY\*

\* Strike out Which is not applicable

**NOTE: NO GIFT OR COUPONS WOULD BE GIVEN TO THE SHARE HOLDERS FOR ATTENDING THE ANNUAL GENERAL MEETING**

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## FIRST FINANCIAL SERVICES LIMITED

**Regd Office:** No.2C Ram Mansion, 2nd Floor, 367 Pantheon Road, Egmore, Chennai - 600008

Folio No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being a member/member(s) of First Financial Services Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing \_\_\_\_\_ him/her of \_\_\_\_\_

As my/our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the company to be held on Saturday, 29th September 2012 at 4.00 p.m at the Registered office of the Company or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Signature of Member / Proxy

**Notes :** The Proxy form must be returned so as to reach the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting: The proxy need not be a shareholder of the company.

# Book Post

If undelivered, please return to:

**FIRST FINANCIAL SERVICES LTD**

Regd. Office : 2 C Ram Mansion,  
2nd Floor, 367 Pantheon Road,  
Egmore, Chennai 600 008

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