

**28th ANNUAL REPORT
2012-2013**



FIRST FINANCIAL SERVICES LTD

BOARD OF DIRECTORS:

Mr S Krishna Rao : Director
 Mr Sambasivan Swaminathan : Director
 Mr Nirmal Singh Mertia : Executive Director

AUDITORS:

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

Company CIN : L85100TN1984PLC011231

Registrars and Transfer Agents:

Bigshare Services Pvt. Ltd.
 E-2/3, Ansa Industrial Estate, Sakivihar Road,
 Saki Naka, Andheri (East),
 Mumbai – 400 072.
 Phone No. : 022-40430200, Fax No. : 022-28475207
 Email id.:info@bigshareonline.com, Website: www.bigshareonline.com

Bankers:

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

REGISTERED OFFICE:

2 C Ram Mansion, 2nd Floor
 367 Pantheon Road, Egmore,
 Chennai 600 008.
 Email.: ffs1@in.com / info@ffs1online.com
 Website: www.ffs1online.com

Compliance Officer:

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

INDEX	
BOARD OF DIRECTORS	1
NOTICE TO THE SHAREHOLDERS.....	2
DIRECTORS' REPORT	5
MANAGEMENT DISCUSSION AND ANALYSIS REPORT	7
REPORT ON CORPORATE GOVERNANCE	8
AUDITORS' REPORT.....	14
BALANCE SHEET	16
PROFIT AND LOSS ACCOUNT	17
CASH FLOW STATEMENT	18
NOTES TO FINANCIAL STATEMENTS	19

28th Annual Report 2012-2013

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 28th Annual General Meeting of the Shareholders of First Financial Services Limited will be held on Saturday, 27th July 2013 at 4.00 P.M. at 2-C Ram Mansion, 2nd floor, 367 Pantheon Road, Egmore, Chennai-600 008 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited accounts for the year ended 31st March 2013 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sambasivaier Swaminathan, Director of the company who retires by rotation and being eligible offers himself for re-appointment.
3. To declare the dividend on Equity shares.
4. To reappoint Auditors and fix their remuneration.

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

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

SPECIAL BUSINESS:

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

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

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

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

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

Sd/-
S Krishna Rao
Director

Place: Chennai
Date:15.06.2013

FIRST FINANCIAL SERVICES LIMITED

NOTES

1. The Register of Members will be closed from the 28th June 2013 to 2nd July, 2013 (both days inclusive), for the purpose of Dividend and Annual General Meeting.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on his behalf. A Proxy need not be a Member of the Company. Proxy forms in order to be effective must be received at Registered Office of the company situated at 2-C Ram Mansion, 2nd floor, 367 Pantheon Road, Egmore, Chennai-600 008, 48 hours before the Annual General Meeting.
3. Members are requested to bring their copies of the Report and Accounts to the Meeting.
4. The Members are requested to intimate the Company regarding any change of their address immediately to the Registered Office quoting their Folio Number.
5. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays between 11.00 a.m. to 1.00 p.m. up to the date of AGM.
6. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to the Proxy Form and hand over the Slip at the entrance to the place of the Meeting.
7. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.
8. Brief Profiles of the Director who is proposed to be appointed / re-appointed is given as Additional Information on Directors, which part of the Notice.
9. The Company has made necessary arrangements for the Members to hold their shares in dematerialized form. Those members who are holding shares in physical form are requested to dematerialize the same by approaching any of the Depository Participants (DPs). In case any member wishes to dematerialize his/her shares and needs any assistance, he/she may write to the Director at the Registered office of the company
10. **Payment of dividend through ECS/NECS :**

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

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

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

28th Annual Report 2012-2013

ANNEXURE TO THE NOTICE:

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

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

Item No. 5 :

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

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

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

The Board of Directors recommends the resolution for your approval.

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

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

Sd/-
S Krishna Rao
Director

Date: 15.06.2013
Place: Chennai

ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT:

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

FIRST FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

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

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

FINANCIAL RESULTS:

(₹ In Lacs)

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

DIVIDEND:

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

FINANCIAL HIGHLIGHTS:

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

DIRECTORS:

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

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

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) Appropriate accounting policies have been selected and the directors have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2012-2013 and of the Profit or Loss of the Company for the period.
- (iii) Proper and sufficient care has been taken for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Annual accounts have been prepared on a going concern basis.

28th Annual Report 2012-2013

STATUTORY AUDITOR:

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

CORPORATE GOVERNANCE REPORT:

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

PARTICULARS OF EMPLOYEES:

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

LISTING:

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

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing agreement and requirements of Companies Act, 1956, the Cash flow Statement for the year ended 31.03.2013 is annexed here to.

CONSERVATION OF ENERGY:

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

TECHNOLOGY ABSORPTION:

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

POSTAL BALLOT

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

ACKNOWLEDGEMENT:

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

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

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

Sd/-
Nirmal Singh Mertia
Executive Director

Sd/-
S. Krishna Rao
Director

Place : Chennai
Date : 15.06.2013

FIRST FINANCIAL SERVICES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

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

B) PERFORMANCE:.

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

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

C) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

The internal control is supplemented on an ongoing basis, by an extensive program of internal audit being implemented 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.

28th Annual Report 2012-2013

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 31.03.2013:

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. S Krishna Rao.	- Non-Executive & Independent Director
Mr. Sundaram Sankaranarayan*.	- Non-Executive & Independent Director
Mr. Sambasivaier Swaminathan	- Non-Executive & Independent Director
Mr. Nirmal Singh Mertia	- Executive & Non-Independent Director

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

None of Directors has pecuniary or Business relationship with the Company except as mentioned elsewhere in the Annual Report.

During the year there were in total Six Board Meetings were held i.e. on 18/04/2012, 29/05/2012, 07/06/2012, 13/08/2012, 10/11/2012 and 13/02/2013. 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
1.	Mr P Natarajan	Director	6	YES	3	-
2.	Mr S Krishna Rao	Director	6	YES	4	3
3.	Mr.Sambasivaier Swaminathan	Director	3	No	2	3
4.	Mr.Sundaram Sankaranarayanan	Director	3	No.	6	2
5.	Mr. Nirmal Singh Mertia	wholetime Director	6	Yes	1	1
6.	Mr. Sourabh Patodia	Director	1	-	2	-

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

3) AUDIT COMMITTEE

A. Composition:

The Audit Committee has the following Members:-

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

B. Terms of reference:

- Review of the Company's financial reporting process and financial statements.
- Review of accounting and financial policies and practices.
- Review of Internal control systems.
- Discussion with Statutory Auditors on any significant findings and follow-up thereon.
- Reviewing the Company's financial and risk management policies.

FIRST FINANCIAL SERVICES LIMITED

The Statutory Auditors are invitees to the Meeting.

C. Powers of Audit Committee:

The Audit Committee has the following powers:

- i) To investigate any activity within its terms of reference;
- ii) To seek information from any employee;
- iii) To obtain outside legal or other professional advice;
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

D. Audit committee Meetings and Attendance:

During the year, the Audit Committee met 4 times i.e on 29th May, 2012, 13th August, 2012, 10th November 2012 and 13th February 2013

4) REMUNERATION COMMITTEE

A. Composition:

The Remuneration Committee has the following Members:-

- a. Mr Sambasivaier Swaminathan
- b. Mr Sundaram Sankaranarayanan
- c. Mr S Krishna Rao

B. Terms of Reference:

The broad terms of reference of the committee are to appraise the performance of Executive Director, determine and recommend to the Board compensation payable to Managing Director. The remuneration policy of the Company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

C. Remuneration Policy:

Subject to the approval of the Board of Directors and subsequent approval by the members at the General Meeting and such authorities as the case may be, remuneration of Managing Director, is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.,

The Committee has met one (1) time during the financial year ended 31st March 2013 i.e. on 29th May 2012.

5) SHAREHOLDERS GRIEVANCES / INVESTOR'S SERVICE COMMITTEE

A. Composition:

The Shareholders Grievance Committee has the following Members:-

1. Mr S Krishna Rao
2. Mr. Nirmal Singh Mertia
3. Mr.Sambasivaier Swaminathan

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

During the year, the Shareholders Grievances Committee met 4 times i.e on 29th May, 2012, 13th August, 2012, 10th November 2012 and 13th February 2013

Terms of Reference:

The Company has a Shareholders/Investors Grievance Committee to look into redress of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc.,

The committee deals with various matters relating to :

- Transfer / transmission of shares
 - Issue of Share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
 - Consolidation / splitting of folios
 - Review of shares dematerialized and all other related matters.
 - Investors grievance and redressal mechanism and recommend measures to improve the level of investors services.
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28th Annual Report 2012-2013

6) GENERAL BODY MEETINGS :

A. Particulars of General meetings held during last three years

Year	Location	Date	Time
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
2011-2012	2C, Ram Mansion,367 Pantheon Road, Egmore, Chennai 600 008.	29.09.2012	04.00 P.M

B. Extraordinary General meetings held during the year:

During the year one Extra Ordinary General Meeting was held on 12th May 2012 at the registered office of the company.

C. Postal Ballot

During the year one Postal Ballot was conducted whereof result was declared on 12th July 2012.

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.

8) MEANS OF COMMUNICATION:

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

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

* 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 are listed and published in news papers as indicated above and also put on Company's website 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.

c. GENERAL SHAREHOLDERS INFORMATION:

The 28th Annual General Meeting is scheduled to be held on Saturday, 27th July, 2013 at 04.00 p.m. at its registered office, 2 C, Ram Mansion,2nd Floor, 367 Pantheon Road, Egmore, Chennai- 600 008.

The Financial year of the company is from 1st April to 31st March.

Tentative calendar for the year 2013-14 is as per following:-

Results for the quarter ending on 30th June 2013: Second week of August 2013.

Results for the quarter ending on 30th Sept. 2013: Second Week of Nov. 2013.

Results for the quarter ending on 31st Dec. 2013: Second Week of Feb. 2014.

Results for the quarter ending on 31st March 2014: Last Week of May 2014.

FIRST FINANCIAL SERVICES LIMITED

Book Closure:

Book Closure dates are from 28th June 2013 to 2nd July 2013 (**both days inclusive**).

Dividend :

Your directors declared dividend @ 2% i.e. Re. 0.20 per equity share on face value of ₹10/- only each for the financial year ended 2012-13.

Listing :

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 2014.

Stock Code

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

Demat ISIN Number in NSDL & CDSL : Equity Shares INE141N01017

Share Transfer System: Share transfer in physical form are presently registered and returned within a period of 15 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 2012 to March 2013. (In ₹ / Per Share)

Period	High	Low	Period	High	Low
April 2012	-	-	October 2012	62.55	36.80
May 2012	5.61	5.35	November 2012	104.65	65.65
June 2012	6.80	5.89	December 2012	151.85	106.70
July 2012	14.04	7.14	January 2013	234.05	154.85
August 2012	21.73	14.74	February 2013	282.45	238.70
September 2012	35.05	22.80	March 2013	298.35	280.80

DISTRIBUTION OF SHAREHOLDINGS AS ON 31st March 2013

Shares or Debentures Holding of nominal value of Shares ₹	Shares / debenture Holders		Share / Debenture amount	
	Number	% total	(In ₹)	% of total
Upto 5000	5446	96.3723	1127420	1.3962
5001 - 10000	6	0.1062	46800	0.0580
10001 - 20000	12	0.2124	192250	0.2381
20001 - 30000	6	0.1062	152500	0.1889
30001 - 40000	8	0.1416	292800	0.3626
40001 - 50000	15	0.2654	727500	0.9010
50001 - 100000	33	0.5840	2865850	3.5491
100001 and above	125	2.2120	75342480	93.3062
Total	5651	100.00	80747600	100.00

28th Annual Report 2012-2013

Shareholding Pattern as on 31.03.2013 :

Category	No. of Shares	Percentage
Promoters	41410	0.5128
Mutual Funds / UTI & Banks	--	--
Private Corporate Bodies	2571645	31.8479
Resident Individuals	5261183	65.1559
NRIs / FIIs	50	0.0006
Other	200472	2.4828
Total :	8074760	100.00

Dematerialisation of Shares :

As on 31.03.2013, Total 95.94% of total Paid capital of the Company was stood as Dematerialized.

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. : 022-40430200, 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.

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 31st March, 2013, 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.

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

sd/-

P. Dharmaraj
Proprietor
M. No. 224216

Place : Chennai
Date : 15-06-2013

FIRST FINANCIAL SERVICES LIMITED

CEO/CFO CERTIFICATION

To

The Board of Directors

FIRST FINANCIAL SERVICES LTD

2 C Ram Mansion, 2nd Floor

367 Pantheon Road, Egmore,

Chennai 600 008.

Dear Sirs,

We have reviewed financial statements and the cash flow statement for the year ended 31st March 2013 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 is 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/-

Nirmal Singh Mertia
Executive Director

Place : Chennai

Date : 15.06.2013

28th Annual Report 2012-2013

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

Report on the Financial Statements

We have audited the accompanying financial statements of First Financial Services Ltd ('the Company') which comprise the Balance Sheet as at 31 March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31 March, 2013, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

P.Dharmaraj
Proprietor.

Membership No. 224216

Date: 28-May-2013

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 31st March 2013.

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 made preferential allotment of 22,50,000 Shares during the year to the parties which are not covered u/s 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: 28-May-2013

Place: Chennai

28th Annual Report 2012-2013

Balance Sheet as at March 31, 2013

Particulars	Note No.	(Amount in INR)	
		As at March 31, 2013	As at March 31, 2012
I Equity & Liabilities			
1. Shareholders' funds			
(a) Share Capital	2	80,747,600	58,247,600
(b) Reserves and Surplus	3	90,898,060	65,481,377
(c) Money received against share warrants		-	-
		171,645,660	123,728,977
2. Share application money pending allotment		-	40,500,000
3. Non - Current Liabilities			
(a) Long -Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long - Term Liabilities		-	-
(d) Long - Term Provisions		-	-
4. Current Liabilities			
(a) Short - Term Borrowings	4	1,427,237	8,762,485
(b) Trade Payables	5	1,682,628	43,418
(c) Other Current Liabilities	6	8,445	237,129
(d) Short - Term Provisions	7	4,008,571	755,961
		7,126,881	9,798,993
TOTAL		178,772,541	174,027,969
II Assets			
1. Non - Current Assets			
(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		-	-
2. Current Assets			
(a) Inventories		84,474,540	91,058,384
(b) Trade Receivables	8	1,540,442	2,327,609
(c) Cash and Cash equivalents	9	2,122,575	505,302
(d) Short - Term Loans and Advances	10	89,337,738	77,907,046
(e) Other Current Assets	11	1,297,246	2,229,629
		178,772,541	174,027,969
TOTAL		178,772,541	174,027,969

Significant Accounting Policies

1

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-2013

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, 2013

(Amount in INR)

	Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
I	Revenue from Operations	12	36,184,296	28,057,347
	Closing Stock		84,474,540	91,058,384
II	Other Income	13	2,050,159	1,310,261
III	Total Revenue (I + II)		122,708,995	120,425,992
IV	Expenses			
	Opening Stock		91,058,384	29,802,542
	Purchases	14	22,216,157	82,990,166
	Employee Benefits Expenses	15	455,971	465,113
	Finance Costs	16	21,641	1,248,742
	Depreciation and Amortization Expense		-	-
	Operation Expenses	17	2,051,587	2,057,129
	Total Expense		115,803,740	116,563,692
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)		6,905,255	3,862,300
VI	Exceptional Items		-	-
VII	Profit before Extraordinary Items and Tax (V-VI)		6,905,255	3,862,300
VIII	Extraordinary Items		-	-
IX	Profit Before Tax (VII-VIII)		6,905,255	3,862,300
X	Tax Expense:			
	(a) Current Tax		2,111,633	735,961
	(b) Deferred Tax		-	-
	(c) Tax of Earlier Year		-	-
	(d) MAT Credit Entitlement		-	(95,810)
			2,111,633	640,151
XI	Profit for the Period from Continuing Operations (IX - X)		4,793,621	3,222,148
XII	Profit/(Loss) for the Period from Discontinuing Operations		-	-
XIII	Tax Expense of Discontinuing Operations		-	-
XIV	Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)		-	-
XV	Profit for the Period (XI + XIV)		4,793,621	3,222,148
XVI	Earnings Per Equity Share (Face Value ₹ 10/- Per Share):	18		
	Basic (₹)		0.61	0.41
	Significant Accounting Policies	1		

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-2013

For and on behalf of the Board

First Financial Services Ltd.

Sd/-

Nirmal Singh Mertia

Executive Director

Sd/-

S. Krishna Rao

Director

28th Annual Report 2012-2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax for the year	6,905,255	3,862,300
Adjustments for :		
Misc. Expenses w/off	882,748	618,748
Dividend Received	(71,490)	(267,605)
Interest Received	(1,790,397)	(992,322)
Interest Paid	12,469	587,895
Operating Profit before Working Capital change	<u>5,938,585</u>	<u>4,450,195</u>
Adjustments for :		
Decrease/(Increase) in Receivables	787,167	(1,327,506)
Decrease/(Increase) in Inventories	6,583,844	(61,255,842)
Decrease/(Increase) in Loans & Advances	(11,450,916)	(70,904,132)
Decrease/(Increase) in Other Current Assets	49,635	(1,668,377)
Increase/(Decrease) in Payables	1,639,210	(17,556,582)
Increase/(Decrease) in Current Liabilities & Provisions	(228,684)	6,605,424
Decrease/(Increase) in Tax Deducted at Source	20,225	(880,074)
Cash Generated From Operations	<u>3,339,065</u>	<u>(142,536,893)</u>
Income Tax paid	735,961	-
NET CASH FROM OPERATING ACTIVITIES Total (A)	<u>2,603,104</u>	<u>(142,536,893)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	-	-
Sale of Investments	-	-
Dividend Received	71,490	267,605
Rent Received	-	-
Interest Received	-	-
NET CASH USED IN INVESTING ACTIVITIES Total (B)	<u>71,490</u>	<u>267,605</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Capital	2,250,000	54,500,000
Share Application Money	-	40,500,000
Share Premium	2,250,000	54,500,000
Loan taken / (Repaid) in Secured Loan	(7,335,248)	(7,625,107)
Loan taken / (Repaid) in Unsecured Loan	-	-
Interest paid	(12,469)	(1,229,074)
Interest received	1,790,397	992,322
NET CASH FROM FINANCING ACTIVITIES Total (C)	<u>(1,057,320)</u>	<u>141,638,141</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	<u>1,617,274</u>	<u>(631,147)</u>
Cash and Cash Equivalents -- Opening Balance	505,302	1,136,448
Cash and Cash Equivalents -- Closing Balance	<u>2,122,576</u>	<u>505,302</u>
	<u>0</u>	<u>0</u>

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 : 28-May-2013

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

Note - 1 Significant Accounting Policies

1. Accounting Convention

- a) These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the Historical cost convention. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- b) The company follows Mercantile System of accounting and recognizes items of income and expenditure on accrual basis except those with significant uncertainties.

2. Revenue Recognition

- a) Sale of Shares is recognised as and when the Sales made when the risk and rewards of ownership are passed onto the the Buyer.
- b) Commission Income is recognised as when the Company eligible to get it.
- c) Interest Income is recognised on time proportionate basis taking into account the amount outstanding and the rate applicable.

3. Fixed Assets

The Company does not have Fixed Assets on its own. Hence this clause will not applicable to this company.

4. Depreciation

Since the Company does not have any Fixed Assets Depreciation there on cannot be provided for the same.

5. Inventories

Inventories comprises Shares held for Sale are valued at lower of cost and net realisable value.

6. Transaction in Foreign Currencies

The Company involved no transaction in foreign Currencies during the year.

7. Retirement Benefits

No provision Has been made for Gratuity , Provident fund and Leave encashment as no liability arises on the date of Balance Sheet.

8. Segment reporting

The company has no reportable Business or Geographical segment.

9. Taxes on Income

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- b) Deferred tax is recognised, subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. Deferred tax Assets arising from timing differences are recognised to the extent there is a reasonable certainty that these would be realised in future.

10. Earning Per Share

The Company reports basic and diluted earnings per equity share in accordance with AS-20, 'Earnings Per Share'.

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

11. Prior Period Item

Income or Expenses which arise in the current period as a result of change in the preparation of the financial statements of one or more prior periods is shown as "Prior Period Item".

12. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable

28th Annual Report 2012-2013

acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Notes to Accounts

1. Prior Year Comparatives

- a) Previous year's figures have been regrouped and reclassified wherever necessary to make them comparable to current year's figures.
- b) Figures in brackets pertain to previous year.

2. Fixed Assets.

The Company does not have Fixed Assets on its own. Hence this clause will not applicable to this company.

3. Depreciation

Since the Company does not have any Fixed Assets Depreciation there on cannot be provided for the same.

4. Leases

The company has not taken or leased out any building or asset on operating lease or finance lease.

5. Effects of Changes in Foreign Exchange Rates

- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date
- b) The change in value of Foreign Currency liability due to increase or decrease in the exchange rate is adjusted against appropriate fixed assets.

6. Trade Payables

- a) There is no due to Micro & Small Enterprises as at 31st march,2013. 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 thr basis of information available with company.
- b) No Interest Paid/Payable during the year to any enterprises registered under the MSME
- c) The above Information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSME.

7. Related Party Disclosures

As per Accounting Standard (AS) -18 issued by The Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

A. Related Parties :

Directors / Key Management Personnel

Mr.S KRISHNA RAO

Director

Mr.NIRMALSINGH MOOLSINGH MERTIA

Whole Time Director

B. Transactions with Related Parties

As at 31.03.13 **As at 31.03.12**

Remuneration

Directors / Key Managerial Personnel

418,730

120,000

The Company does not enter into eny transaction with related parties other than that paying remuneration to Directors.

8. Earnings per share

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share has been computed using the weighted average number of equity

FIRST FINANCIAL SERVICES LIMITED

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

Particulars	Units	Year ended 31.03.2013	Year ended 31.03.2012
a. Net profit after tax before Extraordinary Item	₹	4,793,621	3,222,148
b. Net profit after tax after Extraordinary Item		4,793,621	3,222,148
c. Weighted average of number of equity shares used in computing basic and diluted Earnings Per Share	No. of shares	7,908,322	7,908,322
d. Basic and Diluted EPS before Extra Ordinary Item (a/c)	₹	0.61	0.41
e. Basic and Diluted EPS after Extra Ordinary Item (b/c)	₹	0.61	0.41

9. Provision for Deferred Tax Liability

Deferred tax assets/liabilities does not arise for the Company for current year.

10. Contingent Liability

There no Contingent liability to be expected for the Company.

11. Balances of the Sundry Debtors and Sundry Creditors are subject to confirmation.

DETAILS OF STOCK-IN-TRADE

(Amount in ₹)

Particulars	As on 31.03.2013			As on 31.03.12		
	Nos.	Cost	FMV	Nos.	Cost	FMV
Quoted Shares						
Gujarat NRE Coke Ltd.	2,000	99,600	33,400	2,000	99,600	27,900
8K Miles Software Services Ltd. (PM Strips Ltd.)	-	-	-	650	26,078	35,815
Ravi Kumar Distilleries Ltd.	785,301	9,617,344	6,910,649	796,751	9,757,570	9,138,734
RPP Infra Projects Ltd.	85,000	6,079,094	3,425,500	85,605	5,798,014	5,256,147
Splash Media & Infra Ltd.	1,659,371	47,396,702	21,306,324	1,045,571	31,965,299	31,523,966
Kallam Spinning Mills Ltd.	1,600	44,800	49,600	1,600	44,800	41,680
Money Matters Financial Services Ltd	-	-	-	138,068	12,267,023	10,893,565
Total [A]	2,533,272	63,237,540	31,725,472	2,070,245	59,958,384	56,917,807
Unquoted Shares						
Dixon Exports & Finance Pvt. Ltd.	-	-	NA	10,000	1,000,000	NA
Onesource Techmedia Ltd	-	-	NA	50,000	500,000	NA
Righteous Global Logistics Pvt. Ltd.	10,000	1,000,000	NA	10,000	1,000,000	NA
Seaindia Freight Systems Pvt. Ltd.	-	-	NA	1,500	1,500,000	NA
Rungta Iron & Steel Private Limited	50,000	5,000,000	NA	-	-	NA
Subh Labh Share Brokers Private Limited	55,000	550,000	NA	-	-	NA
SKB Finance limited	11,200	112,000				
Sri Manav Const. Dev. Pvt. Ltd.	-	-	NA	50,000	5,000,000	NA
Euro Woods & Timbers Pvt. Ltd.	-	-	NA	20,000	3,000,000	NA
LRG Properties Pvt. Ltd.	-	-	NA	128,000	1,600,000	NA
Malpani Alloys Extrusions Pvt. Ltd	-	-	NA	10,000	1,000,000	NA
Marsh Steel Ltd	20,000	5,000,000	NA	20,000	5,000,000	NA
Marsh Steel trading Pvt. Ltd.	20,000	5,000,000	NA	20,000	5,000,000	NA
Noble Services Express Pvt Ltd	-	-	NA	2,000	500,000	NA
Ultra Veneers & Boards Pvt. Ltd.	-	-	NA	10,000	1,000,000	NA
Vision Steel Ltd	18,300	4,575,000	NA	20,000	5,000,000	NA
Total [B]	184,500	21,237,000	NA	351,500	31,100,000	NA
TOTAL [A+B]	2,717,772	84,474,540	31,725,472	2,421,745	91,058,384	56,917,807

28th Annual Report 2012-2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note 2 - Share Capital

(a) Particulars	(Amount in INR)			
	As at March 31, 2013		As at March 31, 2012	
	No of shares	Amount	No of Shares	Amount
Authorised :				
1,60,00,000 Equity Shares (Previous Year 1,60,00,000) of ₹ 10/- each	16,000,000	160,000,000	16,000,000	160,000,000
TOTAL	16,000,000	160,000,000	16,000,000	160,000,000
Issued and Subscribed :				
92,00,000 Equity Shares (Previous Year 92,00,000) of ₹ 10/- each	9,200,000	92,000,000	9,200,000	92,000,000
TOTAL	9,200,000	92,000,000	9,200,000	92,000,000
Subscribed and Paid-up :				
80,74,760 Equity Shares (Previous Year 58,24,760) of ₹ 10/- each	8,074,760	80,747,600	5,824,760	58,247,600
TOTAL	8,074,760	80,747,600	5,824,760	58,247,600
(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.				
i) The Company has only one class of Equity Shares having a par value of ₹ 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 2013, the Company has not declared any dividend.				
ii) 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.				
(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period				
Particulars	As at March 31, 2013		As at March 31, 2012	
No. of shares at the beginning of the year		5,824,760		3,747,600
Less: Reduction of Shares during the year				
Share Capital Reduction	-	-	3,372,840	3,372,840
No. of Shares after Capital Reduction		5,824,760		374,760
Add: Issue of Shares during the year				
Subscriber to the Memorandum	-		-	
Private Placement	2,250,000		5,450,000	
		2,250,000		5,450,000
No. of shares at the end of the year		8,074,760		5,824,760
Note: Company issued 22,50,000 Shares at a premium of 100% during the year. The said Shares issued against Share application money of 4,05,00,000 and cash received during the year for the balance of ₹ 45,00,000/-				
(d) Aggregate details for five immediately previous reporting periods for each class of shares				
Particulars	As at March 31, 2013		As at March 31, 2012	
- 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		-		-
(e) Details of shareholders holding more than 5% shares in the company				
There is no single Shareholder holding more than 5% Shares in the Company. Hence details of Shareholders holding more than 5 % Shares in the Company cannot be given.				
(f) Detailed note on shares reserved to be issued under options and contracts / commitment for the sale of shares / divestments including the terms and conditions.				
The company does not have any such contract / commitment as on reporting date.				
(g) Detailed terms of any securities convertible into shares, e.g. in the case of convertible warrants, debentures, bonds etc.				
The company does not have any securities convertible into shares as on reporting date.				

FIRST FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note 3 - Reserves & Surplus

Particulars	As at March 31, 2013		As at March 31, 2012	
(i) Securities Premium				
As per last Balance Sheet	54,500,000		-	
Add: On Shares issued during the year	<u>22,500,000</u>	77,000,000	54,500,000	54,500,000
General Reserve				
(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
(iii) Capital Reserve				
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	-		-	
		<u>4,840,000</u>		<u>4,840,000</u>
(iv) Surplus in the Profit & Loss Account				
As per last Balance Sheet	4,419,377		(32,531,172)	
Add: W/off pursuant to Capital Reduction	-		33,728,400	
Add: Profit / (Loss) for the year	4,793,621		3,222,148	
Amount available for appropriations	9,212,998		4,419,377	
Appropriations:				
Add: Transferred from reserves	-		-	
Less: Transferred to General reserve	-		-	
Proposed dividend	(1,614,952)		-	
Corporate Dividend Tax	(261,986)		-	
	<u>(1,876,938)</u>	7,336,060	-	4,419,377
TOTAL		<u><u>90,898,060</u></u>		<u><u>65,481,377</u></u>

Note 4 - Short Term Borrowings

(a) Loans repayable on demand				
From banks				
Bank overdraft - Secured	1,427,237		6,262,485	
Less: W/off during the year	-		-	
Unsecured	-	<u>1,427,237</u>	-	<u>6,262,485</u>
		1,427,237		6,262,485
(b) Loans and advances from Other				
Secured	-		-	
Unsecured	-		2,500,000	
Less: Paid & W/off during the year	-		-	
		<u>-</u>		<u>2,500,000</u>
		<u><u>1,427,237</u></u>		<u><u>8,762,485</u></u>

Bank Overdraft from Axis Bank at a Interest Rate of 9.00 % P.a is secured by Hypothecation the Fixed Deposits with the same Bank having Interest Rate at 11.00 % P.a amounting to ₹ 18,00,000/-

Note 5 - Trade Payables

Current payables (including acceptances) outstanding for less than 12 months	1,682,628	43,418
	<u><u>1,682,628</u></u>	<u><u>43,418</u></u>

28th Annual Report 2012-2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note 6 - Other Current Liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Salaries Payable	-	233,929
TDS Payable	8,445	3,200
TOTAL	8,445	237,129

Note 7 - Short-Term Provisions

Provision for Audit fees	20,000	20,000
Provision for Taxation (net of taxes paid)	2,111,633	735,961
Provision for Proposed Dividend	1,614,952	-
Provision for Tax on Proposed Dividend	261,986	-
TOTAL	4,008,571	755,961

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	1,540,442	2,327,609
- Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
	1,540,442	2,327,609

TOTAL **1,540,442** **2,327,609**

(b) Detailed note on debts due by the following persons :

(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/ director	-	-
TOTAL	-	-

Note 9 - Cash & Cash equivalents

Cash & Cash Equivalents

(i) Balances with Banks :		
- Current Accounts	156,715	289,998
- Deposit Accounts	1,800,000	-
(ii) Cash-in-hand	165,860	215,304
(iii) Cheques & Drafts in-hand	-	-
	2,122,575	505,302
TOTAL	2,122,575	505,302

Note 10 - Short Term Loans & Advances

(a) (i) Security deposits

Secured, considered good	10,000,000	10,000,000
Unsecured, considered good	1,138,118	1,138,118
Doubtful	-	-
	11,138,118	11,138,118

(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)	-	-
Tax deducted at source (A.Y. 2012-2013)	783,530	852,514
Tax deducted at source (A.Y. 2013-2014)	28,016	-
MAT Credit Entitlement	-	95,810

FIRST FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	As at March 31, 2013	As at March 31, 2012
I.T. refund (A.Y. 2011-2012)	169,881	169,881
I.T. refund (A.Y. 2012-2013)	116,553	-
	1,097,980	1,118,205
(iv) Others		
Secured, considered good	77,101,640	54,650,724
Unsecured, considered good	-	-
Doubtful	-	-
	77,101,640	54,650,724
TOTAL	89,337,738	77,907,046
Note 11 - Other Current Assets		
Prepaid Expenses	-	49,635
Miscellaneous Expenditure to the extent not w/off	2,179,994	1,180,000
Add: During the year	-	1,618,742
Less: W/off during the year	(882,748)	(618,748)
	1,297,246	2,179,994
TOTAL	1,297,246	2,229,629
Particulars	31.03. 2013	31.03. 2012
Note 12 - Revenue from Operations		
Sales	29,808,017	20,444,226
Commission Income	6,376,279	7,613,121
TOTAL	36,184,296	28,057,347
Note 13 - Other Income		
Interest Recd	1,790,397	992,322
Dividend Income	71,490	267,605
Other Misc. income	25,000	50,334
Rent received	25,000	-
Profit on Sonya SPA	138,272	-
TOTAL	2,050,159	1,310,261
	31.03. 2013	31.03. 2012
Note 14 - Purchases	22,216,157	82,990,166
TOTAL	22,216,157	82,990,166
Note 15 - Employment Benefit Expenses		
Salary	429,254	443,173
Staff Welfare Expenses	26,717	21,940
TOTAL	455,971	465,113
Note 16 - Financial Costs		
Bank Charges	9,172	19,668
Interest Expenses	12,469	1,229,074
TOTAL	21,641	1,248,742
Note 17 - Operation Expenses		
Advertisement Expenses	116,591	78,140
Director Remunerations	120,000	120,000
CDSL / NSDL Processing Fees	79,748	46,911
BSE Listing Fees	25,000	141,364
Consultancy Fees	-	67,419
Conveyance Expenses	32,637	18,095
Legal & Professional Fees	359,576	134,255
ROC Filing Fees	9,172	18,590
Retainership Fees	-	90,000
Miscellaneous Expenditure W/off	882,748	618,748

28th Annual Report 2012-2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	31.03. 2013	31.03. 2012
Rent	60,880	63,565
Postage & Courier	16,146	22,469
Printing & Stationery	34,722	49,965
Payments to Auditors :		
- Audit fees	20,000	20,000
- Tax Audit fees	-	-
- For Other Services	-	-
- For Reimbursement of Expenses	-	-
Subscription Fees	10,490	14,339
SEBI Stamp duty & TOC	47	9,269
Service Tax	8,884	24,139
STT Charges	5,663	89,075
Sundry Balances W/off	-	350,000
Travelling Expenses	91,572	69,185
Website Expenses	36,000	11,600
Camac Street Maintenance Exp	44,830	-
Demat Charges	4,872	-
Fire Director Expenses	28,856	-
General Expenses	26,549	-
House keeping Expenses	5,600	-
Interest on Late Payment of TDS	76	-
Interest on Service Tax	6,770	-
Security Expenses	5,872	-
Telephone Expenses	18,101	-
Transaction Charges	187	-
TOTAL	2,051,587	2,057,129

Note 18 - Earnings Per Equity Share

(a) Net profit after tax attributable to equity shareholders for Basic EPS	4,793,621	3,222,148
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	4,793,621	3,222,148
(b) Weighted average no. of equity shares outstanding during the year For Basic EPS	7,908,322	7,908,322
(c) Face Value per Equity Share (₹)	10.00	10.00
Basic EPS	0.61	0.41

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-2013

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

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)

ATTENDANCE SLIP

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company being held on Saturday, 27th July 2013 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

FIRST FINANCIAL SERVICES LIMITED

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

PROXY

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, 27th July 2013 at 4.00 p.m at the Registered office of the Company or at any adjournment thereof.

Signed this _____ day of _____ 2013.

Affix ₹ 1/-
Revenue
Stamp

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

i FIRST FINANCIAL SERVICES LTD.





Regd Office: No.2C Ram Mansion, 2nd Floor, 367 Pantheaon Road, Egmore, Chennai - 600 008.

Phone : 91- 44- 43555227 / 29, Fax : 91 - 44 - 28194595, email : ffs1@in.com

FORM A

Sub : Manner of dealing with audit reports filed by listed companies

Ref : Clause -31a of the listing agreement and SEBI Circular no.CIR/CFD/DIL/7/2012 dated 13th August 2012

1.	Name of the Company	First Financial Services Limited
2.	Annual Financial statements for the year ended	31 st March, 2013
3.	Type of Audit qualification	Un-qualified
4.	Frequency of qualification	N.A.
5.	To be signed by -	
a	Nirmal Singh Mertia Executive Director	
b	S Krishna Rao CFO	
c	Auditor of the Company P. Dharmraj M/s. Dharmraj & Co., Chartered Accountants, New No. 63, Old No. 31, Kamaraj Avenue, First Street, Adyar, Chennai - 600 020. M. no. 224216	 
d	S Krishna Rao Audit Committee Chairman	