

FIRST FINANCIAL SERVICES LTD

25TH ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH, 2010

BOARD OF DIRECTORS:

Mr.PONNUSWAMYNATARAN : Director
Mr. S G F MELKHASINGH : Additional Director
Mr. S KRISHNA RAO : Additional Director

AUDITORS:

Shabbir & Associates,
Chartered Accountants,
Broad Way,
Chennai – 600108

REGISTRAR & SHARE TRANSFER AGENT

Cameo Corporate Service Ltd.
“Subramaniam Building” V Floor,
No.1 Club House Road,
Chennai . – 600 002.

REGISTERED OFFICE:

2 C Ram Mansion, 367 Pantheon Road, Egmore, Chennai 600 008 (the company wef 07.06.2010 shifted its registered office from New No: 26, Old No: 20, Ramakrishna Street, Off North Usman Road, T.Nagar, Chennai-600017.)

25TH ANNUAL GENERAL MEETING

Date: 5th July, 2010.
Day: Monday
Time: 03.00 p.m.
Place: 2 C Ram Mansion, 367 Pantheon
Road, Egmore, Chennai 600 008.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 25th Annual General Meeting of the Shareholders of **First Financial Services Limited** will be held on Monday, 5th July, 2010 at 3.00 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 period ended **31st March 2010** 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. P Natarajan, Director of the company who retires by rotation and being eligible offers himself for re-appointment
3. To appoint 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 the M/s. **Shabbir & Associates**, Chartered Accountants be and are hereby re-appointed 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

4. Appointment of Mr. S Krishna Rao, as a Director of the Company and to consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution** :-

“RESOLVED THAT Mr. S Krishna Rao , who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 5th June, 2010 as per the provisions of the of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and who holds Office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing, proposing his candidature for the office of Director, under Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

5. Appointment of Sri S G F Melkha Singh, as a Director of the Company and to consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution** :-

“RESOLVED THAT Sri S G F Melkha Singh, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 5th June, 2010 as per the provisions of the of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and who holds Office upto the date of this Annual General Meeting and in respect of whom the Company

has received a Notice in writing, proposing his candidature for the office of Director, under Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

6. APPOINTMENT OF REGISTRARS AND TRANSFER AGENTS

To consider and if thought fit to pass with or without modifications the following resolutions as a **Special Resolution:**

“RESOLVED THAT M/s. Cameo Corporate Services Ltd having their registered Office at No.1 Subramanian Building, Club House Road, Chennai 600 002 be and are hereby appointed as Registrars and Transfer Agents for maintaining Equity Shares and related works for the period from 5th June 2010 to 4th June 2011 and may be paid fees and remuneration as may be decided by the Board of Directors”.

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

7. ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and if thought fit to pass with or without modifications the following resolutions as a **Special Resolution:**

“RESOLVED THAT in pursuance to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to repeal the existing Articles of Association of the Company by adopting the new Articles of Association, draft of which is circulated with the notice, copy of which is duly initialed by the Chairman for the purpose of identification.

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

By Order of the Board
For FIRST FINANCIAL SERVICES LTD.

Place: Chennai
Date: 07-06-2010

P. Natarajan
Director

NOTES

1. The Register of Members will be closed from the 3rd July, 2010 to 5th July, 2010 (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, 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. Explanatory statement required to be annexed to the Notice pursuant to the requirements of the section 173 (2) of the Companies Act, 1956

EXPLANATORY STATEMENT : AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4.

Mr. S Krishna Rao, who was appointed as an additional Director w.e.f. 05th June 2010 under section 260 of the Companies Act, 1956. The said Directors will hold office upto the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of Mr. S Krishna Rao for the office of the Director under section 257 of the Companies Act, 1956.

1	Name of the director	Mr. S Krishna Rao.
2	Age	59 Years
3	Qualification	B.Com
4	Experience	35 Years
5	Number of Directorship in other companies	1. Anurodh Merchandise Pvt Ltd 2. Chiraag Suppliers Pvt Ltd 3. Nanadalal Vayappar Pvt Ltd 4. Jhunjhunwala Marketing & services Pvt Ltd 5. Radhaoami Securities Pvt Ltd 6. Skyed Network Pvt Ltd 7. Onesource Techmedia Limited 8. Cavincally Retails Limited.

Mr. S Krishna Rao is **not having any shareholding in the Company.**

The Board of Directors recommends the resolution for approval of the members.

None of the Directors are concerned or interested in the said Resolution except Mr. S Krishna Rao

ITEM NO. 5.

Mr. Sri S G F Melkha Singh, who was appointed as an additional Director w.e.f. 05th June 2010 under section 260 of the Companies Act, 1956. The said Directors will hold office upto the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of Sri S G F Melkha Singh for the office of the Director under section 257 of the Companies Act, 1956.

1	Name of the director	Sri S G F Melkha Singh.
2	Age	43 Years
3	Qualification	B.Com
4	Experience	20 Years
5	Number of Directorship in other companies	1. Anurodh Merchandise Pvt Ltd 2. Chiraag Suppliers Pvt Ltd 3. Nanadalal Vayappar Pvt Ltd

Sri S G F Melkha Singh is **not having any shareholding in the Company.**

The Board of Directors recommends the resolution for approval of the members.

None of the Directors are concerned or interested in the said Resolution except Sri S G F Melkha Singh

ITEM NO. 6.

The Company for the convenience of all the Members proposed to appoint M/s. Cameo Corporate Services Ltd having their registered Office at No.1 Subramanian Building, Club House Road, Chennai 600 002 as Registrars and Transfer Agents for maintaining Equity Shares and related works of the company for the period from 5th June 2010 to 4th June 2011. The appointment of RTA requires members consent and hence this resolution.

The Board of Directors recommends the resolution for approval of the members.

None of the Directors are considered as interested in the above resolutions except to the extent of the shares held by them

ITEM NO. 7.

The company proposes to repeal the existing Articles of Association by adopting a new Articles of Association. And the same required the members' consent and hence the Directors commend these resolutions for approval by the Members.

None of the Directors are considered as interested in the above resolutions except to the extent of the shares held by them

Copies of Memorandum and Articles of Association with proposed alterations are made available for inspection between 11 A.M to 1.P.M for the convenience of members at the Registered Office of the Company till the date of Extra-ordinary General Meeting.

By Order of the Board
For FIRST FINANCIAL SERVICES LTD.

Place: Chennai
Date: 07-06-2010

P. Natarajan
Director

DIRECTORS' REPORT:

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

Your Directors have great pleasure in presenting **25TH ANNUAL REPORT** along with the Audited Balance Sheet and Profit And Loss Account, for the year ended 31st March, 2010.

1. FINANCIAL RESULTS:

(Amt. In Rs.)

PARTICULARS	Year ended	
	2009	2010
Total Income	(18,183)	(5,168)
Depreciation	2,222,992	2,222,992
Profit/(Loss) before Taxation	(2,241,175)	(2,228,160)
Provision for Taxation	0	0
Deferred Tax Liabilities	0	0
Brought Forward From Previous Year	(38,918,718)	(36,690,557)
<u>Appropriations</u>		
Profit after Tax	(2,241,175)	(2,228,160)
Amt. available for Appropriation	(41,159,893)	(38,918,718)

2. OPERATIONS:

During the year Companies performance was satisfactory in comparison to previous year as net profit before tax is Rs.43,246/-.

3. DIVIDEND:

In the absence of sufficient profits, your Directors did not recommend any dividend for the current year.

4. DIRECTORS:

During the year Mr. N Natarajan, Directors of the company are retiring by rotation & being eligible offers themselves for reappointment.

Mr. Krishna Rao and Sri S G F Melkha Singh appointed as director in the board meeting held on 05.06.2010.

Mr. Joshi Krishnan and N Jayanthi resigned as Director wef 07.06.2010.

DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors hereby confirms:

- i. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and 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 and of the financial year and of the Profit or Loss of the Company for that period.
- iii. That the Directors have taken proper and sufficient care 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. That the Directors have prepared the Annual accounts on a going concern basis.

5. FIXED DEPOISTS:

The company law board has passed an order on 27TH January 1999 fixing the scheme of repayment of deposit by the company. The fixed deposit scheme out standing at the time of the order Rs. 440.01 lacs and outstanding on the balance sheet was Rs. 18.88lacs.

6. AUDITORS:

M/s. SHABBIR & ASSOCIATES., Chartered Accountants, will holds office until the conclusion of the forthcoming Annual General Meeting. He has signified his willingness to accept appointment and has further confirmed his eligibility under Section 224 (1B) of the Companies Act, 1956.

7. SUBSIDIARIES:

Since the Company has no subsidiaries, provision of section 212 of the Companies Act, 1956 is not applicable.

8. CORPORATE GOVERNANCE CODE:

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.

9. PARTICULARS OF EMPLOYEES:

Particulars of employees, as required by section 217 (2A) of the Companies Act, 1956 read with companies (Particulars of Employees) Rules, 1975 as amended, are not given as no employees are drawing salary in excess of the limits of the section 217 (2A).

10. 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.

11. TECHNOLOGY ABSORPTION:

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

12. APPRECIATION:

The Directors wish to take this opportunity to thank all the Shareholders, Banks & Customers for their Co-Operation & support extended to the company.

By Order of the Board
For FIRST FINANCIAL SERVICES LTD.

Place: Chennai
Date: 07-06-2010

P. Natarajan
Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

The company is an NBFC engaged in hire purchase and financial service activity.

B) PERFORMANCE:

The Income from Operations for the Period ended 31st August 2009 was Nil for the previous year.

Your company has made a net profit of Rs.43256/- during the year as against a net loss of Rs. 22.41 lakhs made during the previous year.

C) CONCERNS:

Your company is earnestly making all efforts to speed up the recoveries. Out look of the company will improve which the management of the company is actively working.

D) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

An appropriate and adequate system of internal controls exists in your company to ensure that all assets are safeguarded and protected against loss 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 auditor and also by external and 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.

E) HUMAN RESOURCES POLICIES:

At present only the Director of the company is taking care of the operations. No other paid staff is employed.

F) 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.

CORPORATE GOVERNANCE REPORT

1) COMPANY'S PHILOSOPHY:

The Corporate Governance code as introduced by Security 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:

Details of Directors Seeking Appointment/Re-appointment at the forthcoming Annual General Meeting:

(Pursuant to clause 49 VI of the Listing Agreement)

Name of the Directors	Mr. Ponnuswamy Natarajan	Mr. Krishna Roa	Sri S G F Melkha Singh
Age	56 Years	59 Years	43 Years
Qualification	B.Com, C.A	B.Com	B.Comm
Expertise in specific functional areas	Finance	Administration & Secretarial	Marketing
Directorship in other Indian Public Limited Company & other firms as on 31.03.2008 .	First Financial Holding Ltd	Anurodh Mercantile Private Limited Cavincally Retails Ltd.	Chiraag Suppliers Pvt. Ltd.

The Board of the Company comprises of 5 (FIVE) Directors out of which Three Directors are independent Non-Executive directors which is more than 50% of the total strength of the board. There are no nominees and additional directors or the company.

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 **FIVE** Board Meetings were held i.e. on 03.05.2009, 12.08.2009, 12.11.2009, 03.01.2010 & 28.03.2010. 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.

S. N.	Name of Director	Category	No. of meetings Attended	Attendance at Last AGM	No. Of Other Directorships	No. Of Other Committee membership In other Companies
1.	Mr.P. Natarajan	Director	5	YES	2	Nil
2.	Ms. N. Jayanthi	Director	5	YES	2	Nil
3.	Mr. K. Joshi	Director	4	YES	1	Nil
4.	Mr. S Krishna Rao	Additional Director	Nil	No	2	Nil
5.	Mr. S G F Melkha Singh	Additional Director	Nil	No.	2	Nil

3) AUDIT COMMITTEE AND REMUNERATION COMMITTEE

The company is in the process of constituting an Audit Committee. The company will not constitute a Remuneration committee since it proposed to place the matters relating to the remuneration of the directors as and which the need arises to the Board of Directors for approval and such Board Meeting will be chaired by a Non-Executive Director.

4) REMUNERATION OF DIRECTORS.

None of the Directors are paid any remuneration.

5) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

During the year, the share transfer and investors grievances committee met twice on 03.05.09 and 15.06.09.

6) DETAILS OF ANNUAL GENERAL BODY MEETINGS FOR THE PAST THREE YEARS:

Details of last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue
2006-2007	28.02.2008	04.00 P.M.	1, 2&3 Kasi arcade, 116, Thiyagaraya Road, T.Nagar, Chennai-600017.
2007-2008	28.02.2009	04.00 P.M.	1, 2&3 Kasi arcade, 116, Thiyagaraya Road, T.Nagar, Chennai-600017.
2007-2008	27.02.2009	03.00 P.M.	New No.26, Old No 20, Ramakrihna Street, Off North Usma Road, T.Nagar, Chennai 17.

There was no other General Body Meeting in the last Three Years and no resolution was put through Postal Ballot.

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 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.

8. MEANS OF COMMUNICATION:

The company's registered office is situated at Chennai and the Quarterly/ yearly results are normally sent to Stock Exchange after approval of the Board.

No presentation was made during the year either Institutional Investors or to the analysts.

9. MANAGEMENT DISCUSSION AND ANALYSIS

The Directors Report includes management Discussions and analysis.

MANDATORY/NON-MANDATORY REQUIREMENTS

During the financial year 2009-10, the Company has duly complied with all mandatory requirements of Clause 49 of the Listing Agreement.

10. GENERAL SHAREHOLDERS INFORMATION:

The 25TH Annual General Meeting is scheduled to be held on Monday the 5TH July, 2010 at 03.00 p.m. at its registered office, No 2C,2ND Floor, Ram Mansion, 367,Pantheon Road, Egmore, Chennai – 600 008.

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

The financial calendar is as per following.

Results for the quarter ending on 30th Nov 2009: Last Week of Dec 2009

Results for the quarter ending on 28th Feb 2010: Last week of Mar 2010

Results for the quarter ending on 31st May 2010: Last Week of Jun 2010

Results for the quarter ending on 31st Aug 2010: Last Week of Sep 2010

Annual General Meeting for the year ended 31st March 2011: End of August 2011

Book Closure dates are from **01st July, 2010 to 5TH July, 2010 (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 Stock Exchange Mumbai and Madras Stock Exchange Ltd.

The Equity shares of the company have been suspended by the Bombay Stock Exchange, Mumbai.

The company is yet to enter in to an agreement for Demat ISIN number.

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 August 2009 to March 2010, No transaction has taken place in the shares of the company at the Madras Stock Exchange and the Stock Exchange.

DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST March 2010

Shares or Debentures Holding o nominal value of		Shares / debenture Holders		Share / Debenture amount	
Rs.	Rs.	Number	% total	(In Rs.)	% of total
Upto	5000	5221	94.55	8004000	21.36
5001 -	10000	218	3.95	1814500	4.84
10001 -	20000	55	1.00	806000	2.15
20001 -	30000	10	0.18	252000	0.67
30001 -	40000	03	0.05	99000	0.26
40001 -	50000	07	0.13	329000	0.88
50001 -	100000	02	0.04	138000	0.37
Above -	100000	06	0.10	26033500	69.47
Total		5522	100.00	37476000	100.00

**Reg
istr**

ar and Transfer Agent.

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

Cameo Corporate Service Ltd.
"Subramaniam Building" V Floor,
1, Club House Road,
Chennai . – 600 002.

GENERAL INFORMATION

Plant Location	Not applicable
Detail on use of Public funds obtained in the Last three years.	No funds have been raised from Public For the past three yeas.
GDR / ADRS / Warrants etc.,	The company did not issued any GDR/ ADR / Warrants or any convertible Instruments.

Place: Chennai
Date : 07-06-2010

For FIRST FINANCIAL SERVICES LTD.

P. Natarajan
Director

DIRECTORS DECLARATION ON CODE OF CONDUCT

To

The Members
FIRST FINANCIAL SERVICES LTD
Chennai

I have examined all relevant records of M/s. FIRST FINANCIAL SERVICES LTD, for the purpose of certifying compliance of the Conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the financial year ended 31st March, 2010.

I have obtained all the information and explanations, which to the best of my knowledge and beliefs were necessary for the purpose of my certification.

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the company.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the company has complied with:

All the mandatory conditions of the said Clause 49 of the Listing Agreement.

The following non-mandatory requirements of the said Cause 49 of the Listing Agreement:

- i. Remuneration committee.
- ii. Whistle blower mechanism.

We Further State that no investor grievances are pending exceeding for a period of one month against the company as at March 31st , 2010 per the records maintained by the shareholders/investors grievances committee of the Company.

COMPLIANCE ON THE CODE OF CONDUCT:

I hereby confirm, that

The company has obtained from all the Members of the Board and Senior Management Personnel, affirmation that they have complied with the code of conduct for Directors and Senior Management Personnel in respect of financial year 2009-2010.

Place: Chennai
Date : 31-05-2010

For FIRST FINANCIAL SERVICES LTD.

P. Natarajan
Director

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 31st March 2010 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. Significant changes in internal control over financial reporting during the year;
- v. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- vi. Instances of significant 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.

Place : Chennai

P. Natarajan

Ramya

Date : 31-05-2010

(Director)

(Accountant)

AUDITOR'S REPORT

To

THE MEMBERS OF FIRST FINANCIAL SERVICES LTD

1. We have audited the attached Balance Sheet of FIRST FINANCIAL SERVICES LTD as at 31st March 2010 and the related Profit & Loss Account and Cash Flow Statement for the seven month period 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 examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. 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 our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books;
- c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent they are applicable to the company;
- e) On the basis of the written representations received from the Directors of the company as on 31st March 2010, and taken on record by the Board of Directors of the company, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director 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 accounts give the information required by the Companies Act, 1956, in the manner so required the said accounts 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 31st March 2010 and

(ii) in the case of Profit and Loss Account, of the Loss of the Company for the seven month period ended on that date.

Date:07.06.2010
Place: Chennai

For Shabbir & Associates
Chartered Accountants
Proprietor
Shabbir Kakosiwala N
Membership No: 217421
Firm Regn No: 011594S

Annexure Referred to in Paragraph 3 our Report of even date to the members of FIRST FINANCIAL SERVICES LTD

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b)) The company has a phased program of physical verification of fixed assets , which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. We have been informed that no material discrepancies were noticed on such verifications as compared to book records.
© All of the fixed assets has been disposed off during the year and, therefore, affects the going concern assumption.
2. (a) The Company does not hold any inventories and hence the clause is not applicable.
3. (a) In our opinion and according to the information and explanations given to us, the company had taken interest free unsecured loans from promoters covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) (i) As informed, the company has not granted loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
(ii) The rate of interest and other terms and conditions of the loan are, prima facie, not applicable since no outstanding loans as mentioned under Section 301 of the Companies Act, 1956
(iii) The payment of interest and the repayment of principal does not apply.
(iv) There is no amount overdue on the loans.
4. In our opinion and according to the information and explanations given to us, there are no purchase of inventories and fixed assets and sale of goods and service.
5. (a) 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 clause (b) is not applicable.
6. According to the information and explanations given to us, the company registration as NBFC has been cancelled, the company has been directed by RESERVE BANK OF INDIA to coordinate with COMPANY LAW BOARD for fulfilling the requirements and directives of RBI and provisions of section 58A and 58AA and rules framed there under with regard to deposit accepted from public.
7. The company ceased to operate on account of cancellation of NBFC registration by RESERVE BANK OF INDIA, hence no internal audit has been performed.
8. The Central Government has not prescribed the Company under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the information and explanation provided to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other applicable statutory dues, with the appropriate authority. No undisputed amounts payable were in arrears, as at March 31, 2010 for a period of more than six months from the date they became payable.
(b) In our opinion and according to the information and explanation given to us, there are no dues in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess that have not been deposited on account of any dispute.

10. (b) In our opinion and according to the information and explanation given to us, no undisputed amounts payable in respect , income tax, sales tax, wealth tax, customs duty, excise duty, cess were in arrears, as at March 31, 2010 for a period of more than six months from the date they became payable.
11. In our opinion, the accumulated losses of the company are more than fifty percent of its Capital and reserve as at the end of the financial year. The company has incurred cash losses in the current financial year covered by the audit.
12. According to the information and explanations provided to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
13. According to the information and explanations provided to us, the Company has not granted advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
15. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
16. According to the information and explanations provided to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
17. In our opinion and according to the information and explanations provided to us the Company has not raised any term loans during the year.
18. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been utilized for long term investment and vice versa.
19. According to the information and explanations provided to us, the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
20. The company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Order are not applicable to the Company.
21. The Company has not raised any money through public issue during the period covered by our report.
22. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported.

Date :

Place:

For Shabbir & Associates
Chartered Accountants
Proprietor
Shabbir Kakosiwala N
Membership No: 217421
Firm Regn No: 011594S

First Financial Services Ltd
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

	Schedule No.	Period ended 3/31/2010	Year ended 8/31/2009
<u>INCOME</u>			
Income from consultancy		52,500.00	-
Other Income		3,440.00	-
TOTAL A		55,940.00	-
<u>EXPENDITURE</u>			
Finance & other Charges		1,293.51	1,977.00
Administrative & Establishment Exp	10	11,390.00	16,206.00
Depreciation		-	-
TOTAL B		12,683.51	18,183.00
Excess of Income over Expenditure		43,256.49	(18,183.00)
Depn & lease equilisation reserve		-	2,222,992.00
		43,256.49	(2,241,175.00)
Less: Provision for Tax			
- Current Tax		-	-
- Deferred Tax		-	-
- Fringe Benefit Tax		-	-
Total Tax		43,256.49	(2,241,175.00)
Balance b/f from previous year		(41,159,893.00)	(38,918,717.00)
Balance carried to Balance Sheet		(41,116,636.51)	(41,159,892.00)

Notes to Accounts 11

For First Financial Services Ltd

For Shabbir & Associates
Chartered Accountants

Managing Director

Director

Proprietor

Shabbir Kakosiwala N

Place : Chennai

Membership No: 217421

Date : 04-06-2010

Firm Regn No: 011594S

First Financial Services Ltd

BALANCE SHEET AS AT 31.03.2010

	Schedule No.		As at 31.03.2010	As at 31.08.2009
I. SOURCES OF FUNDS				
1. Shareholder's Funds				
a. Share Capital	1		37,476,000.00	37,476,000.00
b. Reserves & Surplus	2		6,562,000.00	6,562,000.00
			44,038,000.00	44,038,000.00
2 Loan Funds				
a. Secured Loans	3		1,857,518.00	1,857,518.00
b. Unsecured Loans			1,690,729.00	1,888,520.00
c. Interest Free Loan from Promoters			-	2,368,450.00
			3,548,247.00	6,114,488.00
	TOTAL		47,586,247.00	50,152,488.00
II. APPLICATION OF FUNDS				
3 Fixed Assets				
Gross Block		-		46,799,837.00
Less : Depreciation		-		34,687,902.00
Less : Lease Equilisation reserve				4,979,785.00
			-	7,132,150.00
4. Current Assets, Loans and Advances				
a. Sundry Debtors	5	4,953,489.00		2,711,305.00
b. Cash and Bank Balances	6	46,121.49		3,156.00
c. Loans & Advances	7	-		15,000.00
			4,999,610.49	2,729,461.00

Less: Current Liabilities and Provisions			
a. Current Liabilities	8	5,000.00	2,344,016.00
b. Provisions for Tax		-	-
		5,000.00	2,344,016.00
Net Current Assets		4,994,610.49	385,445.00
5. Miscellaneous Expenditure (to the extent not written off or adjusted)	9	42,591,636.51	42,634,893.00
Notes to Accounts	11	47,586,247.00	50,152,488.00

Schedule referred to above and Notes attached thereto form an integral part of the Balance Sheet.

For First Financial Services Ltd

For **Shabbir & Associates**
Chartered Accountants

Managing Director

Director

Proprietor

Place : Chennai

Date : 04-06-2010

Shabbir Kakosiwala N

Membership No: 217421

Firm Regn No: 011594S

First Financial Services Ltd
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2010

	As at 31.03.2010	As at 31.08.2009
1 SHARE CAPITAL		
AUTHORISED		
50,00,000 Equity Shares of Rs.10/- each	50,000,000.00	50,000,000.00
ISSUED & SUBSCRIBED		
37,50,000 Equity shares of Rs.10/- each	37,500,000.00	37,500,000.00
Subscribed & paid up		
35,32,700 equity shares of Rs.10 each (Of the above 1,25,000 shares of Rs.10/- each fully bonus shares by capitalisation of surplus in profit & loss account)	37,476,000.00	37,476,000.00
	<u>37,476,000.00</u>	<u>37,476,000.00</u>
2 RESERVES & SURPLUS		
Opening Balance	1,722,000.00	1,722,000.00
Add: Transfer from Profit & Loss	-	-
	<u>1,722,000.00</u>	<u>1,722,000.00</u>
Capital Reserve	4,840,000.00	4,840,000.00
	<u>6,562,000.00</u>	<u>6,562,000.00</u>
3 SECURED LOANS		
Cash Credit from Bank	1,857,518.00	185,518.00
	<u>1,857,518.00</u>	<u>185,518.00</u>
5 SUNDRY DEBTORS		
Secured and Considered Good		
Outstanding for over six months	-	587,731.00
Other Debts	-	-
Unsecured and Considered Good		
Outstanding for over six months	-	2,123,579.00
Other Debts	4,953,489.00	-
	<u>4,953,489.00</u>	<u>2,711,310.00</u>

6 CASH AND BANK BALANCES

Cash	32,050.00	-
Balance with Scheduled Banks	14,071.49	3,156.00
	<u>46,121.49</u>	<u>3,156.00</u>

7 LOANS & ADVANCES

Advances recoverable in cash or in kind	-	15,000.00
	<u>-</u>	<u>15,000.00</u>

8 CURRENT LIABILITIES

Sundry Creditors	-	2,326,516.00
Provision for Expenses	5,000.00	17,500.00
	<u>5,000.00</u>	<u>2,344,016.00</u>

**9 MISCELLANEOUS EXPENDITURE TO
THE EXTENT
NOT WRITTEN OFF/ADJUSTED**

Profit & Loss (Dr)	41,116,636.51	41,159,893.00
Other	1,475,000.00	1,475,000.00
	<u>42,591,636.51</u>	<u>42,634,893.00</u>

For First Financial Services Ltd

For Shabbir & Associates
Chartered Accountants

Managing Director

Director

Proprietor

Place : Chennai

Date : 04-06-2010

Shabbir Kakosiwala N

Membership No: 217421

Firm Regn No: 011594S

First Financial Services Ltd

SCHEDULES FORMING PART OF THE P&L ACCOUNT FOR THE PERIOD ENDED 31.03.2010

	ADMINISTRATIVE & ESTABLISHMENT		Year
11	EXPENSES	Period ended	ended
		31.03.2010	31.08.2009
	INDIRECT EXPENCES		
	Audit Fees	5,000.00	5,000.00
	Administrative Expenses	3,990.00	7,706.00
	Rent Rates & Taxes	2,400.00	3,500.00
		<hr/>	
		<hr/> 11,390.00	<hr/> 16,206.00

Schedule 4
FIXED ASSETS

Particulars	Rate of Depreciation	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		Opening as at 01.09.2009	Addition	Deduction	Total	Depreciation	For the Year	Dep on Deletion	Total Dep	As as at 31.03.2010	As as at 31.08.2009
						on Op Bal					
<u>Leased Asset</u>											
Plant & Machinery	4.75%	45,362,337	-	45,362,337	-	33,598,525	-	33,598,525	-	-	11,763,812
Electrical Installation	4.75%	1,437,500	-	1,437,500	-	1,089,377	-	1,089,377	-	-	348,123
		.	-	-	-	-	-	-	-	-	-
Total		46,799,837	-	46,799,837	-	34,687,902	-	34,687,902	-	-	12,111,935

Schedule 11

Notes to Accounts

Significant accounting policies and notes on accounts for the seven month period ended 31-3-2010

1. Significant Accounting policies:

a. Revenue Recognition:

The company follows the accrual system of accounting and accounts for income and expenditure on accrual basis.

The Company has ceased lending operations on account of cancellation of NBFC registration by Reserve Bank of India.

The Company has not provided interest on borrowing and deposits accepted in the earlier years due to negotiations for settlement.

b. Fixed Asset:

Fixed asset is stated at cost less depreciation

c. Depreciation of fixed asset:

Depreciation is provided on the straight line method at the rates and the manner prescribed in schedule XIV to The Companies Act, 1956.

d. All the fixed assets has been transferred as part of settlement negotiations.

2. Remuneration to the Auditor:

	31.03.2010	31.09.2009
Statutory Audit	Rs. 5000/-	Rs. 5000/-

3. Remuneration To Directors:

Nil

4. Earning per Share as computed in accordance with the Accounting Standard – 20

	31.03.2010	31.09.2009
a. Net Profit After Tax (in Rs)	(41,116,635)	(41,159,893)
b. Weighted Average No. of Equity Shares (in Nos)	3747600	3747600
c. Basic & Diluted Earning Per Share (in Rs)	(11)	(11)
d. Face Value Per Share (in Rs)	10.00	10.00

Note: There are no potential dilutive equity shares.

5. Earnings in Foreign Exchange : Nil

6. Contingent liability not provided for : Nil

7. Provision for Income tax: Nil

8. Since the Company ceased lending, deferred tax has not been considered for the accounts and the company has not created deferred assets though there are unabsorbed losses and unabsorbed depreciation.
9. Secured loans represents the bank loan for which settlement has been obtained, net dues to various banks.
10. Confirmed of balances from Debtors & creditors have been received.
11. The previous year figure have been regrouped or reclassified wherever found necessary to confirm to grouping or classification of current year.

As per our report of even date.

For Shabbir & Associates
Chartered Accountants

For First Financial Services Ltd

Proprietor
Shabbir Kakosiwala N
Membership No: 217421
Firm Regn No: 011549S

Managing Director Director

Place: Chennai
Date: 04-06-2010

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2010

	As on 31.03.210	As on 31.08.2009
(A) CASH FLOW FROM OPERATING ACTIVITES		
Profit Before Tax	43,256.49	(2,241,175.00)
(Profit) / Loss on Asset / Investment	-	(2,222,992.00)
Interest / Dividend	-	
Misc Expenses Written off	-	
Operating Profit Before Working Capital	-	
	43,256.49	(18,183.00)
(Increase) / Decrease in Inventory		
(Increase) / Decrease in Debtors	(2,242,184.00)	(329,202.00)
(Increase) / Decrease in Loans & Advances	15,000.00	(15,000.00)
(Increase) / Decrease in Current Laibilites & Provision	(2,339,016.00)	(291,137.00)
(Increase) / Decrease in Misc Expenses		
Cash Generation from Operation	(4,566,200.00)	23,065.00
Direct Taxes Paid		
NET CASH FROM OPERATING EXPENSES	(4,522,943.51)	4,880.00
(B) CASH FLOW FROM INVESTING ACIVITIES		
Purchase of Fixed Asset	-	-
Sale of Fixed Asset	7,132,150.00	-
Purchase of Investing	-	-
Sale of Investing	-	-
Interest / Dividend received	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES	7,132,150.00	-
(C) CASH FLOW FROM FINANCING ACTIVITES		
Increase in Secured Loans	-	-
Increase in Unsecured Loans	2,566,241.00)	(11480.00)
NET CASH FLOW FROM FINANCING ACTIVITIES	(2,566,241.00)	(11480.00)
NET INCREASE IN CASH AND CASH EQUIVALENT	42,965.49	(6,600.00)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	3,156.00	9756.00
CASH AND CASH EQUIVALENT AT THE END OF THE YER	46,121.49	3156.00

Place: Chennai
Date: 04-06-2010

N.Jayanthi
Director

P.Natrajan
Managing Director

AUDITORS CERTIFICATE

We have verified the above cash flow statement of FIRST FINANCIAL SERVICES LTD derived from the audited accounts for the seven month period ended 31st March 2010 and found to be same drawn in the accordance there with and also with requirement of clause 41 of the listing agreement with Bombay Stock Exchange Limited.

Place: Chennai
Date: 04-06-2010

For Shabbir & Associates
Chartered Accountants

Proprietor
Shabbir Kakosiwala N
Membership No: 217421
Firm Regn No: 011594S

BALANCESHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

I. Registration No.	11231
State Code No.	18
Balance Sheet Date	31.03.2010
II. Capital Raised during the year	
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
III. Position of Mobilization and Development of Funds (Amount in Rs. Thousands)	
Total Liabilities	4999.61
Total Assest	4999.61
Source of Founds	
Paid – up-Capital	37476.00
Reserves & Surplus	6562.00
Secured Loans	1857. 52
Unsecured Loans	1690.73
Application of Funds	
Net Fixed Assets	NIL
Investment	NIL
Net Current Assets	4994.61
Miscellaneous Expenditure	1475.00
Accumulated Losses	41116.64
IV. Performance of Company (Amount in Rs. Thousands)	
Turnover	55.94
Total Expenditure	12.68
Profit Before Taxes	43.26
Profit after Taxes	43.26
Earnings Per share	0.01
Dividend rate	NIL
V. Generic Names of Three Principal Products / Services of the Company	

Product Description	Item Code No.
Financial Services	Not Applicable