

# **FIRST FINANCIAL SERVICES LTD**

Regd office: 2nd Floor, Old No.24, New No.45, Venkata Maistry Street, Mannady, Chennai - 600 001  
Phone: +91 9176898788; E-mail: firstfinancialserviceslimited@gmail.com; Website: www.ffsonline.com  
Corp Office: 205, kothari Mile Stone, kothari Mall 2nd Floor, S.V. Road, Malad (W), Mumbai - 400 064.

CIN NO.: L85100TN1984PLC011231

October 5, 2017

To,  
The Manager - Corporate Service Department  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001.

Sub : **Submission of Annual Report under regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.**

Script Code : **511369 – First Financial Services Limited**

Dear Sir(S),  
We are enclosing herewith Annual Report of 'First Financial Services Limited'


1. Annual Report under regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 held on 29.09.2017.

Kindly take the same on record and acknowledge a receipt of the same.

Thanking you,

Yours faithfully,

For **First Financial Services Limited,**

  
**Mr. Nirmal Singh Mertia**  
**Whole Time Director**  
**(DIN: 03584434 )**  
Encl: As above



**32<sup>nd</sup> ANNUAL REPORT**  
**2016 - 2017**

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**FIRST FINANCIAL SERVICES LIMITED**

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**BOARD OF DIRECTORS:**

Mr. Nirmal Singh Mertia : Whole Time Director  
Ms. Chandrika Girish Panchal : Director  
Mr. Girishkumar Panchal : Director

**CIN:** L85100TN1984PLC011231

**Statutory Auditors:**

M/s. S.A.R.A & Associates  
Chartered Accountants,  
A-503, Vertex Vikas Building,  
Above Mitra Nursing Home,  
Sir M.V. Road, Andheri (East),  
Mumbai – 400069.  
Tel: 022- 26826081-84 Fax: 022-26826070  
Email: info@sara-india.com

**Registrar and Share Transfer Agents:**

Bigshare Services Pvt. Ltd.  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East), Mumbai-400059.  
Phone No. : 022- 40430200/62638200, Fax No. : 022-28475207/62638299  
Email id.:investor@bigshareonline.com  
Website: www.bigshareonline.com

**Bankers:**

Axis Bank, Mumbai-400064.

**REGISTERED OFFICE:**

2nd Floor, Old no.24 New no. 45,  
Venkata Maistry Street, Mannady,  
Chennai- 600 001.  
Email: firstfinancialserviceslimited@gmail.com  
Website: www.ffsonline.com  
Contact no. +91-9176898788

**CORPORATE OFFICE:**

205, 2<sup>nd</sup> Floor, Kothari Mall,  
S.V. Road, Malad (West),  
Mumbai-400064  
Email: firstfinancialserviceslimited@gmail.com  
Website: www.ffsonline.com  
Contact no. +91-9176898788

**Compliance Officer:**

Mr. Nirmal Singh Mertia

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**NOTICE**

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of First Financial Services Limited will be held on Friday, 29<sup>th</sup> September, 2017 at 10.00 A.M. at the ICSA Programme Centre, 107, Pantheon Road, Egmore, Chennai - 600008, to transact the following business:

**ORDINARY BUSINESS:**

1. To consider, approve and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2017 and the Profit & Loss Account of the Company for the year ended on that date together with the Directors Report and Auditor's Report thereon.
2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  

**"RESOLVED THAT** pursuant to Section 139, and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. S A R A & Associates, Practicing Chartered Accountants, (Firm Registration no. 120927W) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company to be held in year 2018, to examine and audit the accounts of the Company for the Financial Year 2017-18 at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors and the Auditors."

**SPECIAL BUSINESS:**

3. **Delivery of Documents to Shareholders on requisition.**

**To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Ordinary Resolution:**

**"RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to charge from a member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by such member for delivery of such documents to him through such mode of service, provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the documents by the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Place: Mumbai**

**Date: 31<sup>st</sup> August, 2017**

**On behalf of the Board  
For First Financial Services Limited**

**Sd/-  
Mr. Nirmal Singh Mertia  
Whole Time Director  
DIN- 03584434**

**IMPORTANT COMMUNIQUE TO MEMBERS-GREEN INITIATIVE IN CORPORATE GOVERNANCE:**

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

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

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

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy / proxies to attend and vote and vote instead of himself / herself and such proxy / proxies need not be a member of the Company. Person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
3. Proxy form and attendance slip are enclosed, proxies in order to be valid must reach at the Registered office/Corporate Office of the Company not less than 48 hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 25<sup>th</sup> September, 2017 to 29<sup>th</sup> September, 2017 (both the days inclusive) for the purpose of AGM.
5. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the 32<sup>nd</sup> Annual General Meeting. Also they are required to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Bigshare Services Pvt. Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the RTA.
6. The Company has made necessary arrangements for the Members to hold their shares in dematerialized form. Those members who are holding shares in physical form are requested to dematerialize the same by approaching any of the Depository Participants (DPs). In case any member wishes to dematerialize his/her shares and needs any assistance, he/she may write to the Company at the Registered Office/ Corporate office of the Company.
7. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.
9. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
10. The route map showing directions to reach the venue of the Thirty-Second AGM is annexed to the Annual Report.
11. Copies of Annual Report 2017 are being sent to the members in the permitted mode.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants(s). Members holding shares in physical form shall submit their PAN details to the Company / RTA.
13. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) limited (CDSL). The Company has signed an agreement with CDSL for facilitating such e-voting by the Members.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Tuesday, 26<sup>th</sup> September, 2017 at 9.00 A.M. till Thursday, 28<sup>th</sup> September, 2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date ie. 22<sup>nd</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image verification as displayed and click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |   |
|---|---|
| PAN   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB)            | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>  |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant First Financial Services Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



(xix) **Note for Non – Individual Shareholders and Custodians.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**ANNEXURE-1 TO THE NOTICE:**

**EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACTS, 2013.**

The following Explanatory Statement sets out the material facts relating to the business under item 3 of the accompanying Notice:

Item No. 3

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post/ registered post/ speed post/ courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting. Accordingly, the Board of Director proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financial or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution as set out in the Item No. 3 of the Notice for approval of the Members.

**On Behalf of Board  
For First Financial Services Limited**

**Sd/-  
Mr. Nirmal Singh Mertia  
Whole Time Director  
DIN- 03584434**

**Place: Mumbai**

**Date: 31<sup>st</sup> August, 2017**

**DIRECTORS' REPORT**

To,

The Members,

**FIRST FINANCIAL SERVICES LTD**

(CIN:L85100TN1984PLC011231)

Your Directors have great pleasure in presenting 32<sup>nd</sup> ANNUAL REPORT on the business and operations of your Company with the Audited Accounts for the year ended 31<sup>st</sup> March, 2017. The financial results of the Company are summarized below:

**1. FINANCIAL RESULTS**

| PARTICULARS                   | FINANCIAL YEAR ENDED 31 <sup>st</sup> MARCH 2017 | FINANCIAL YEAR ENDED 31 <sup>st</sup> MARCH 2016 |
|-------------------------------|--|--|
| Total Revenue                 | 119,634,058.00                                   | 116,307,942.00                                   |
| Profit/(Loss) before Taxation | (1,838,349.00)                                   | (7,539,988.00)                                   |
| Provision for Taxation        |  |  |
| Current Tax                   | -  | -  |
| Deferred Tax                  | 1,856.00   | 1,547.00   |
| Tax of earlier year           | -  | -  |
| Profit/(Loss) After Tax       | (1,840,205.00)                                   | (7,541,535.00)                                   |

**FINANCIAL HIGHLIGHTS**

- Profit/(Loss) before taxes for fiscal 2017 was Rs (1,838,349).
- Profit/(Loss) after taxes for fiscal 2017 was Rs. (1,840,205).
- Basic Earning Per Share for fiscal 2017 was Rs. (0.02) per share.
- Net Worth of Company stood at Rs.162,410,390.

**2. RESERVES**

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

**3. CAPITAL STRUCTURE**

There was no change in the Authorized and Paid-up Share Capital of the Company during the year.

The Authorized Share Capital of the Company is Rs. 160,000,000/- (Rupees Sixteen Crores only) divided into 160,000,000 (Sixteen Crores) Equity Shares of Re. 1/- (Rupee One) each.

The Paid-up Share Capital of the Company is Rs. 80,747,600/- (Rupees Eight Crores Seven Lakh Forty Seven Thousand and Six Hundred only) divided into 80,747,600 (Eight Crores Seven Lakh Forty Seven Thousand and Six Hundred) Equity Shares of Re. 1/- (Rupee One) each.

**4. DIVIDEND**

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

**5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

**6. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report. A Certificate from the Statutory Auditors M/s. S A R A & Associates., Practicing Chartered Accountants, Mumbai of the Company confirming the compliance with the conditions of Corporate Governance as stipulated of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as a part of this report in **Annexure-4**.

**7. LISTING WITH STOCK EXCHANGE**

The Company's shares are listed on BSE Limited. However the Company has been suspended from BSE Limited w.e.f. 31<sup>st</sup> December, 2014.

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### i) CHANGES IN DIRECTORS

- a. Mrs. Chandrika Panchal( DIN-07227061) was appointed as the Additional Director of the Company on 28<sup>th</sup> May, 2016.
- b. Ms. Ritu Tusham (DIN-06896437) ceased to be the Director of the Company w.e.f. 28<sup>th</sup> May, 2016.

### ii) DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given a declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

### iii) CHANGES IN KEY MANAGERIAL PERSONNEL

There are no changes in the composition of the Key Managerial Personnel.

### iv) MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company have met Six times during the year on 28<sup>th</sup> May 2016, 20<sup>th</sup> July, 2016, 13<sup>th</sup> August 2016, 26<sup>th</sup> August 2016, 12<sup>th</sup> November 2016 and 13<sup>th</sup> February 2017 in respect of which proper notices were given and proceedings were properly recorded, signed and maintained in the Minutes Book kept by the Company for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### v) COMMITTEES OF THE BOARD

The Company has constituted an Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A detailed note on the Board and its Committees are provided under the Corporate Governance Section in this Annual Report. The composition of the Committees, as per the applicable provisions of the Act and Rules, are as follows:

| Name of the Committee                 | Composition of the Committee   |
|---------------------------------------|--|
| Audit Committee                       | Mrs. Chandrika Girish Panchal (Chairman)<br>Mr. Nirmal Singh Mertia (Member)<br>Mr. Girishkumar Panchal (Member) |
| Nomination and Remuneration Committee | Mrs. Chandrika Girish Panchal (Chairman)<br>Mr. Nirmal Singh Mertia (Member)<br>Mr. Girishkumar Panchal (Member) |
| Stakeholders Relationship Committee   | Mr. Girishkumar Panchal (Chairman)<br>Mr. Nirmal Singh Mertia(Member)<br>Mrs. Chandrika Girish Panchal (Member)  |

### vi) BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Whole Time Director was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholders Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

## 9. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Directors' Appointment and Remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report.

## 10. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis, which forms part of this Report.

**11. DISCLOSURE OF REMUNERATION OF EMPLOYEES COVERED UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:-**

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**i. The percentage increase in Remuneration of each Director and ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the financial year:**

| Sr No | Director's Name     | Designation         | Remuneration 2016-2017 | Remuneration 2015-2016 | Increase/ Decrease | Ratio/Times per Median of employee remuneration |
|-------|---------------------|---------------------|------------------------|------------------------|--------------------|---|
| 1.    | Nirmal Singh Mertia | Whole Time Director | 3,34,000               | 3,14,361               | 19,639             | 4.93%   |

**ii. The percentage increase in the median Remuneration of employees in the financial year:** Not applicable

**iii. The explanation on the relationship between average increase in Remuneration and Company Performance:** Not applicable

**iv. Comparison of the Remuneration of the Key Managerial Personnel against the performance of the Company:** The remuneration of the Key Managerial Personnel was 2.59% of revenue from operation of the Company for the financial year 2016-17.

**v. Variations in the Market Capitalization of the Company, Price Earnings Ratio as at the Closing Date of the Current Financial Year and Previous Financial Year:** Your Company has been suspended from BSE Ltd in equity trading w.e.f. 31<sup>st</sup> December, 2014.

**vi. Percentage Increase or Decrease in the Market Quotations of the Equity Shares of the Company in comparison to the rate at which the Company came out with last Public Offer:** Your Company has been suspended from BSE Ltd in equity trading w.e.f. 31<sup>st</sup> December, 2014.

**vii. Comparison of each remuneration of the Key Managerial personnel against the performance of the Company:**

| Key Managerial Personnel                      | % of Revenue |
|---|--------------|
| Mr. Nirmal Singh Mertia , Whole Time Director | 2.59%        |

**viii. The key parameters for any variable component of remuneration availed by the directors:** Not Applicable

**ix. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** None.

**x. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

No employee of the Company is falling under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**12. AUDITORS**

**i) Statutory Auditors**

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, the term of the Statutory Auditors of the Company ie. M/s S A R A & Associates, Chartered Accountants, (Firm Registration No: 120927W) is subject to ratification by the members of the Company in the ensuing Annual General Meeting.

**ii) Secretarial Auditor**

According to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Secretarial Auditor – Somani & Associates (Company Secretaries) (M. No. F9364, COP No. 8642), Company Secretary in Practice is enclosed as a part of this report in **Annexure-1**.

**iii) Internal Auditors**

M/s Chandrakant Matolia, Chartered Accountants, Mumbai performs the duties of Internal Auditors of the Company and their report is reviewed by the Audit Committee from time to time.

**13. COMMENT ON AUDITOR'S REPORT**

**Statutory Auditors**

The Statutory Auditor's report is self explanatory in nature.

**Secretarial Auditor**

As regards to non compliance with few provisions of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, we would like to state that due to some technical reasons, payment of NSDL and CDSL got delayed and hence Benpose could not be generated.

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

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

Further, delay in filing of quarterly compliances to BSE, your company has been regular after quarter ended June 2016.

With regards to SEBI order dated 19<sup>th</sup> December, 2014, some interim relief has been granted to Company vide order dated 25<sup>th</sup> August, 2016.

Your Company believes in best investor relation practices. Hence, Management of the Company ensures to be more careful and dedicated in all of the compliances henceforth.

**14. DIRECTORS RESPONSIBILITY STATEMENT**

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

- i) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2017 the applicable accounting standard had been followed along with proper explanation relating to material departures.
- ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2017 on a going concern basis.
- v) That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**16. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

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

**17. RELATED PARTY TRANSACTIONS**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure2**.

The Board of Directors of the Company have, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy was considered and approved by the Board and has been uploaded on the website of the Company at [www.ffsionline.com](http://www.ffsionline.com).

**18. EXTRACT OF ANNUAL RETURN**

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

**ANNEXURE-3.****19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

**20. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

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

**21. DEPOSITS**

The Company has not accepted or invited any deposits during the financial year 2016-2017.

**22. CASH FLOW STATEMENT**

In conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and requirements of Companies Act, 2013, the Cash flow Statement for the financial year ended 31.03.2017 is annexed here to as a part of the Financial Statements.

**23. SEBI ORDER**

The SEBI passed an ex-parte ad interim order dated 19<sup>th</sup> December, 2014 to the Company under Section 11 (1), 11 (4) and 11 (B) of the Securities Exchange Board of India Act, 1992 for your Company for not accessing the capital market. Further SEBI also passed a final order dated 20<sup>th</sup> April, 2015 in continuation of the interim order passed on 19<sup>th</sup> December, 2014.

Your Company filed an appeal with Securities Appellate Tribunal on 12<sup>th</sup> January, 2015 against the above said order. SAT directed SEBI to conclude the investigation and pass appropriate order on merits and in accordance with law expeditiously. On the order date 25<sup>th</sup> August, 2016, SEBI granted some interim relief to your Company. Currently SEBI is conducting its investigation.

**24. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

There was no case filed during the year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further, the Company ensures that there is a healthy and safe atmosphere for every women employee at the workplace and have made necessary policies for safe and secure environment for women employees.

**25. ACKNOWLEDGMENT**

The Directors wish to thank and deeply acknowledge the cooperation and assistance received from the Bankers and Shareholders. The Director also wishes to place on record their appreciation of the devoted services of employees of the Company.

Place: Mumbai

Date: 31<sup>st</sup> August, 2017

On behalf of the Board

For First Financial Services Limited

Sd/-

Mr. Nirmal Singh Mertia

Whole Time Director

(DIN: 03584434)

Sd/-

Mr. Girishkumar Panchal

Director

(DIN: 07227360)

**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2017**Annexure 1**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,****The Members,****First Financial Services Limited****(CIN: L85100TN1984PLC011231)**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by First Financial Services Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the First Financial Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I, hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by First Financial Services Limited ("the Company") for the financial year ended on 31<sup>st</sup> March 2017, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares And Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client.
- vi. I have relied on the representation made by the company and its officers for the systems and mechanisms formed by the company for compliances under the other applicable Acts, Laws and Regulations as mentioned by the company in its Management Representation letter.

I have also examined compliance with the applicable clauses:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- b) SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 entered into by the company with the BSE Limited.

During the period under review the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following specific observations:

1. **Company has not filed form MGT-14 for appointment of Secretarial Auditor and Internal Auditor.**
2. **SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 has not been fully complied with. Some significant observations are i.e. quarterly Corporate Governance Report (Regulation 27(2)(a), Statement of Redressal of Investors Grievance (Regulation 13(3), Shareholding Pattern (Regulation 31(1)(b), Capital Reconciliation Certificate (Regulation 55A**

of Depository Participants Regulation, 1996) for the quarter ending on March-2016 and June-2016 were delayed filed (filed between Jan 2017 to March 2017) and Compliance Certificate under Regulation 40(9) & 40(10) submitted late for the half year ending on March-2016 and Certificate has not been submitted under regulation 7(3) for the period ended on March 2016. Notice and Financial Result for quarters March 2016 and June – 2016 was not published on newspaper. Non intimation of Material events i.e. Appointment of Secretarial Auditor and Internal Auditor. Annual Listing fees were not paid for F.Y 2016-17. Non compliance of Regulation 19 and 18(1)(c) were also observed.

3. NSDL & CDSL Benpos were blocked for non-payment of Annual Fees.
4. The Company has not appointed Key Managerial Personnel i.e. “Company Secretary” & “Chief Financial Officer” as per provisions of Section 203 of the Companies Act, 2013. Further Company has been observed non compliant of section 12, 178, 203, 197 of the Companies Act , 2013 and Statutory Registers and Minutes were not available for verification on registered office.
5. As per the Ex Parte ad interim order of SEBI dated on 19<sup>th</sup> December, 2014, M/s. First Financial Services Limited has been restrained from accessing the securities market and has been suspended from the BSE Ltd.
6. During the year under review, we found that some of the charges are being shown on the MCA Portal. However, they are not standing in the books of the company and company contends that those charges have been satisfied long before.

I further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to observations/ Remarks given above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that in the financial year 2014-15, SEBI (Securities Exchange Board of India) has issued a Ex Parte ad Interim Order dated 19<sup>th</sup> December, 2014 for Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control, Prohibition of certain dealings in securities, Prohibition of manipulative, fraudulent and unfair trade practices, under section 19 read with section 11(1), 11(4) and 11B SEBI Act, 1992, Whereby it restrained First Financial Services Limited and others from accessing the securities market or buying , selling or dealing in the securities either directly or indirectly. Further the First Financial Services Limited has filed an appeal in Securities Appellate Tribunal against the above order of SEBI. SAT directed the SEBI vide its order date 10<sup>th</sup> March, 2015 to conclude the investigation and passed appropriate order. Further, vide the SEBI order dated 20<sup>th</sup> April, 2015 and 25<sup>th</sup> August, 2016, First Financial Services Limited and others were provided some relief/relaxation in the said ad interim ex parte order dated 19<sup>th</sup> December, 2014. However the said order was upheld.

This Report is to be read with our letter of even date which is annexed as Annexure- A and forms an integral part of this Report.

Place: Mumbai  
Date: 31<sup>st</sup> August, 2017

For Somani & Associates  
(Practising Company Secretaries)

Sd/-  
Poonam Somani  
FCS No. F9364  
C P No. 8642



**'ANNEXURE A'**

To,  
The Members,  
**First Financial Services Ltd**  
**(L85100TN1984PLC011231)**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company my responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. The compliance by the Company of the applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report 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.

**Place: Mumbai**  
**Date: 31<sup>st</sup> August, 2017**

**For Somani & Associates**  
**(Practising Company Secretaries)**

**Sd/-**  
**Poonam Somani**  
**FCS No. F9364**  
**C P No. 8642**

**Form No. AOC 2 – RELATED PARTY DISCLOSURE**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

There is no such Transaction which is not on arm's length basis.

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

| Sr. No | Particulars   |                                  |
|--------|---|----------------------------------|
| a)     | Name (s) of the related party   | Mr. Nirmal Singh Mertia          |
| b)     | Nature of relationship  | KMP                              |
| c)     | Nature of contracts/arrangements/transaction  | Remuneration                     |
| d)     | Duration of the contracts/arrangements/transaction  | Yearly                           |
| e)     | Salient terms of the contracts or arrangements or transaction including the value, if any                         | Rs. 3,34,000                     |
| f)     | Justification for entering into such contracts or arrangements or transactions'                                   | In the normal course of business |
| g)     | Date of approval by the Board   | 14/08/2015                       |
| h)     | Amount paid as advances, if any   | -                                |
| i)     | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | -                                |

Place: Mumbai

Date: 31<sup>st</sup> August, 2017

On behalf of the Board

For First Financial Services Limited

Sd/-

Mr. Nirmal Singh Mertia

Whole Time Director

(DIN: 03584434)

Sd/-

Mr. Girishkumar Panchal

Director

(DIN: 07227360)

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration ) Rules, 2014.

| <b>I</b> | <b>REGISTRATION &amp; OTHER DETAILS:</b>                                    |   |
|----------|---|---|
| i        | CIN   | L85100TN1984PLC011231   |
| ii       | Registration Date   | 17/10/1984  |
| iii      | Name of the Company   | FIRST FINANCIAL SERVICES LTD  |
| iv       | Category/Sub-category of the Company  | Company Limited by Shares   |
| v        | Address of the Registered office & contact details                          | 2nd Floor, Old.No.24 New No.45, Venkata Maistry Street, Mannady, Chennai - 600001<br>Email- firstfinancialserviceslimited@gmail.com Website: www.ffsionline.com<br>Contact no. +91-9176898788   |
| vi       | Whether listed company  | Yes   |
| vii      | Name , Address & contact details of the Registrar & Transfer Agent, if any. | BIGSHARE SERVICES PRIVATE LIMITED.<br>1st Floor, Bharat Tin Works Building,<br>Opp. Vasant oasis, Makwana Road, Marol, Andheri (E), Mumbai-400059.<br>Phone No. : 022- 40430200, Fax No. : 022-28475207<br>Email id.:info@bigshareonline.com<br>Website: www.bigshareonline.com |

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

The Company has been in the business of providing financial services.

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

| <b>Sr No</b> | <b>Name &amp; Address of the Company</b> | <b>CIN / GLN</b> | <b>HOLDING / SUBSIDIARY / ASSOCIATE</b> | <b>% OF SHARES HELD</b> | <b>APPLICABLE SECTION</b> |
|--------------|--|------------------|---|-------------------------|---------------------------|
| 1            | Nil                                      | Nil              | Nil                                     | Nil                     | Nil                       |

**IV (i) STATEMENT SHOWING SHAREHOLDING PATTERN**

| <b>C. Code</b> | <b>Category of Shareholder</b>        | <b>No. of Shares held at the beginning of the year: 01/04/2016</b> |                 |                     |                | <b>No. of Shares held at the end of the year :31/03/2017</b> |                 |                     |                |
|----------------|---------------------------------------|--|-----------------|---------------------|----------------|--|-----------------|---------------------|----------------|
|                |                                       | <b>Demat</b>   | <b>Physical</b> | <b>Total Shares</b> | <b>Total %</b> | <b>Demat</b>   | <b>Physical</b> | <b>Total Shares</b> | <b>Total %</b> |
| (I)            | (II)                                  | (III)  | (IV)            | (V)                 | (VI)           | (VII)  | (VIII)          | (IX)                | (IX)           |
| (a)            | <b>INDIVIDUAL / HUF</b>               |  |                 |                     |                |  |                 |                     |                |
|                |                                       | 0  | 0               | 0                   | 0.00           | 0  | 0               | 0                   | 0.00           |
| (b)            | <b>CENTRAL / STATE GOVERNMENT(S)</b>  |  |                 |                     |                |  |                 |                     |                |
|                |                                       | 0  | 0               | 0                   | 0.00           | 0  | 0               | 0                   | 0.00           |
| (c)            | <b>BODIES CORPORATE</b>               |  |                 |                     |                |  |                 |                     |                |
|                |                                       | 0  | 0               | 0                   | 0.00           | 0  | 0               | 0                   | 0.00           |
| (d)            | <b>FINANCIAL INSTITUTIONS / BANKS</b> |  |                 |                     |                |  |                 |                     |                |
|                |                                       | 0  | 0               | 0                   | 0.00           | 0  | 0               | 0                   | 0.00           |
| (e)            | <b>ANY OTHERS (Specify)</b>           |  |                 |                     |                |  |                 |                     |                |
| (i)            | DIRECTORS RELATIVES                   | 0  | 0               | 0                   | 0.00           | 0  | 0               | 0                   | 0.00           |
| (ii)           | GROUP COMPANIES                       | 0  | 0               | 0                   | 0.00           | 0  | 0               | 0                   | 0.00           |
| (iii)          | TRUSTS                                | 0  | 0               | 0                   | 0.00           | 0  | 0               | 0                   | 0.00           |
|                | <b>SUB TOTAL (A)(1) :</b>             | <b>0</b>   | <b>0</b>        | <b>0</b>            | <b>0.00</b>    | <b>0</b>   | <b>0</b>        | <b>0</b>            | <b>0.00</b>    |

**FIRST FINANCIAL SERVICES LIMITED**

|         |  | No. of Shares held at the beginning of the year: 01/04/2016 |          |              |             | No. of Shares held at the end of the year :31/03/2017 |          |              |             |
|---------|--|---|----------|--------------|-------------|---|----------|--------------|-------------|
| C. Code | Category of Shareholder                  | Demat   | Physical | Total Shares | Total %     | Demat   | Physical | Total Shares | Total %     |
| (a)     | <b>INDIVIDUAL</b>                        |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (b)     | <b>BODIES CORPORATE</b>                  |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (c)     | <b>INSTITUTIONS</b>                      |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (d)     | <b>QUALIFIED FOREIGN INVESTOR</b>        |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (e)     | <b>ANY OTHERS (Specify)</b>              |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
|         | <b>SUB TOTAL (A)(2) :</b>                | <b>0</b>  | <b>0</b> | <b>0</b>     | <b>0.00</b> | <b>0</b>  | <b>0</b> | <b>0</b>     | <b>0.00</b> |
|         | <b>Total holding for promoters</b>       |   |          |              |             |   |          |              |             |
|         | (A)=(A)(1) + (A)(2)                      | <b>0</b>  | <b>0</b> | <b>0</b>     | <b>0.00</b> | <b>0</b>  | <b>0</b> | <b>0</b>     | <b>0.00</b> |
|         | <b>Total (A) + (B) :</b>                 | <b>0</b>  | <b>0</b> | <b>0</b>     | <b>0.00</b> | <b>0</b>  | <b>0</b> | <b>0</b>     | <b>0.00</b> |
| (a)     | <b>MUTUAL FUNDS / UTI</b>                |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (b)     | <b>FINANCIAL INSTITUTIONS / BANKS</b>    |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (c)     | <b>CENTRAL / STATE GOVERNMENT(S)</b>     |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (d)     | <b>VENTURE CAPITAL FUNDS</b>             |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (e)     | <b>INSURANCE COMPANIES</b>               |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (f)     | <b>FII'S</b>                             |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (g)     | <b>FOREIGN VENTURE CAPITAL INVESTORS</b> |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (h)     | <b>QUALIFIED FOREIGN INVESTOR</b>        |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
| (i)     | <b>ANY OTHERS (Specify)</b>              |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |
|         | <b>SUB TOTAL (B)(1) :</b>                | <b>0</b>  | <b>0</b> | <b>0</b>     | <b>0.00</b> | <b>0</b>  | <b>0</b> | <b>0</b>     | <b>0.00</b> |
| (a)     | <b>BODIES CORPORATE</b>                  | 47703162  | 20600    | 47723762     | 59.10       | 50407216  | 20600    | 50427816     | 62.45       |
| (b)     | <b>INDIVIDUAL</b>                        |   |          |              |             |   |          |              |             |
| (i)     | (CAPITAL UPTO TO Rs. 1 Lakh)             | 403564  | 1045950  | 1449514      | 1.80        | 406964  | 1044750  | 1451714      | 1.80        |
| (ii)    | (CAPITAL GREATER THAN Rs. 1 Lakh)        | 21118520  | 106900   | 21225420     | 26.29       | 21118520  | 106900   | 21225420     | 26.29       |
| (c)     | <b>QUALIFIED FOREIGN INVESTOR</b>        |   |          |              |             |   |          |              |             |
|         |  | 0   | 0        | 0            | 0.00        | 0   | 0        | 0            | 0.00        |

# FIRST FINANCIAL SERVICES LIMITED

| C. Code | Category of Shareholder          | No. of Shares held at the beginning of the year: 01/04/2016 |                |                 |               | No. of Shares held at the end of the year :31/03/2017 |                |                 |               |
|---------|----------------------------------|---|----------------|-----------------|---------------|---|----------------|-----------------|---------------|
|         |                                  | Demat   | Physical       | Total Shares    | Total %       | Demat   | Physical       | Total Shares    | Total %       |
| (d)     | <b>ANY OTHERS (Specify)</b>      |   |                |                 |               |   |                |                 |               |
| (i)     | TRUSTS                           | 0   | 0              | 0               | 0.00          | 0   | 0              | 0               | 0.00          |
| (ii)    | CLEARING MEMBER                  | 10341752  | 0              | 10341752        | 12.81         | 7635448   | 0              | 7635448         | 9.46          |
| (iii)   | DIRECTORS RELATIVES              | 0   | 0              | 0               | 0.00          | 0   | 0              | 0               | 0.00          |
| (iv)    | EMPLOYEE                         | 0   | 0              | 0               | 0.00          | 0   | 0              | 0               | 0.00          |
| (v)     | NON RESIDENT INDIANS (NRI)       | 6652  | 500            | 7152            | 0.01          | 6702  | 500            | 7202            | 0.01          |
| (vi)    | OVERSEAS BODIES CORPORATES       | 0   | 0              | 0               | 0.00          | 0   | 0              | 0               | 0.00          |
| (vii)   | UNCLAIMED SUSPENSE ACCOUNT       | 0   | 0              | 0               | 0.00          | 0   | 0              | 0               | 0.00          |
|         | <b>SUB TOTAL (B)(2) :</b>        | <b>79573650</b>   | <b>1173950</b> | <b>80747600</b> | <b>100.00</b> | <b>79574850</b>                                       | <b>1172750</b> | <b>80747600</b> | <b>100.00</b> |
|         | <b>Total Public Shareholding</b> |   |                |                 |               |   |                |                 |               |
|         | (B)=(B)(1) + (B)(2)              | <b>79573650</b>   | <b>1173950</b> | <b>80747600</b> | <b>100.00</b> | <b>79574850</b>                                       | <b>1172750</b> | <b>80747600</b> | <b>100.00</b> |
|         | <b>Total (A) + (B) :</b>         | <b>79573650</b>   | <b>1173950</b> | <b>80747600</b> | <b>100.00</b> | <b>79574850</b>                                       | <b>1172750</b> | <b>80747600</b> | <b>100.00</b> |
| (a)     | <b>SHARES HELD BY CUSTODIANS</b> |   |                |                 |               |   |                |                 |               |
|         |                                  | 0   | 0              | 0               | 0.00          | 0   | 0              | 0               | 0.00          |
| (i)     | Promoter and Promoter Group      | 0   | 0              | 0               | 0.00          | 0   | 0              | 0               | 0.00          |
| (ii)    | Public                           | 0   | 0              | 0               | 0.00          | 0   | 0              | 0               | 0.00          |
|         | <b>SUB TOTAL (C)(1) :</b>        | <b>0</b>  | <b>0</b>       | <b>0</b>        | <b>0.00</b>   | <b>0</b>  | <b>0</b>       | <b>0</b>        | <b>0.00</b>   |
|         | (C)=(C)(1)                       |   | 0              |                 | 0.00          | 0   | 0              | 0               | 0.00          |
|         | <b>Total (A) + (B) :</b>         | <b>79573650</b>   | <b>1173950</b> | <b>80747600</b> | <b>100.00</b> | <b>79574850</b>                                       | <b>1172750</b> | <b>80747600</b> | <b>100.00</b> |
|         | <b>Grand Total (A)+(B)+(C)</b>   | <b>79573650</b>   | <b>1173950</b> | <b>80747600</b> | <b>100.00</b> | <b>79574850</b>                                       | <b>1172750</b> | <b>80747600</b> | <b>100.00</b> |

## NOTES :

- 1) NAME,NUMBER OF SHARES HELD & PERCENTAGE OF ENTITIES / PERSONS HOLDING MORE THAN 1% OF THE TOTAL SHARES OF THE COMPANY IS AS PER ANNEXURE.

## (ii) SHAREHOLDING OF PROMOTERS

| Sr. No | NAME | Shareholding at the beginning of the year 01/04/2016 |                         |   | Shareholding at the end of the year 31/03/2017 |                         |   |  |
|--------|------|--|-------------------------|---|--|-------------------------|---|--|
|        |      | Number of Shares                                     | % Shares of the Company | % of Shares Pledged/ encumbered to total shares | Number of Shares                               | % Shares of the Company | % of Shares Pledged/ encumbered to total shares | % Change in shareholding during the year |
| 1      | NIL  | NIL  | NIL                     | NIL   | NIL  | NIL                     | NIL   | NIL                                      |
| 2      | NIL  | NIL  | NIL                     | NIL   | NIL  | NIL                     | NIL   | NIL                                      |

## (iii) CHANGE IN PROMOTERS SHAREHOLDING

|                              | Share holding at the beginning of the year 01/04/2016 |                                  | Share holding at the end of the year 31/03/2017 |                                  |
|------------------------------|---|----------------------------------|---|----------------------------------|
|                              | Number of Shares                                      | % of total shares of the company | Number of Shares                                | % of total shares of the company |
| At the beginning of the year | NIL   | NIL                              | NIL   | NIL                              |
| At the end of the year       | NIL   | NIL                              | NIL   | NIL                              |

## FIRST FINANCIAL SERVICES LIMITED

### (iv) TOP TEN NON PROMOTERS MOVEMENT

| Sr. No | NAME                                  | No. of Shares at the beginning / End of the year | Date      | Increase/ Decrease in share-holding | Reason   | Number of Shares | Percentage of total shares of the company |
|--------|---------------------------------------|--|-----------|-------------------------------------|----------|------------------|---|
| 1      | COMFORT SECURITIES LTD                | 5707297  | 01-Apr-16 | NA                                  | NA       | 5707297          | 7.068070135                               |
|        |                                       | 3000993  | 30-Jun    | 2706304                             | Transfer | 3000993          | 3.71651046                                |
|        |                                       | 4033355  | 01-Apr-16 | NA                                  | NA       | 4033355          | 5   |
| 2      | NARAYANI PRATISTHAN PRIVATE LIMITED   | 4255000  | 01-Apr-16 | NA                                  | NA       | 4255000          | 5.2695                                    |
| 3      | MINIMUM SHARES ANDSECURITIES PVT. LTD | 4083522  | 01-Apr-16 | NA                                  | NA       | 4083522          | 5.0571                                    |
| 4      | VEENA MOHANLAL CHANDIRAMANI           | 3088030  | 01-Apr-16 | NA                                  | NA       | 3088030          | 3.82                                      |
| 5      | KIRIT VASUDEO DAVE                    | 3933161  | 01-Apr-16 | NA                                  | NA       | 3933161          | 4.87                                      |
| 6      | MC PRIDE DISTILLERY PRIVATE LTD       | 3766731  | 01-Apr-16 | NA                                  | NA       | 3766731          | 4.66                                      |
| 7      | RAJANI INVESTMENT PRIVATE LIMITED     | 3638327  | 01-Apr-16 | NA                                  | NA       | 3638327          | 4.51                                      |
| 8      | MADHU DEVI SARAF                      | 3500000  | 01-Apr-16 | NA                                  | NA       | 3500000          | 4.33                                      |
| 9      | SUNITA MOTILAL SINHA                  | 3421000  | 01-Apr-16 | NA                                  | NA       | 3421000          | 4.24                                      |
| 10     | R K INVESTMENT PRIVATE LIMITED        | 3375051  | 01-Apr-16 | NA                                  | NA       | 3375051          | 4.18                                      |

### (v) INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment |                                  |                 |          |                    |
|--|----------------------------------|-----------------|----------|--------------------|
|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| <b>Indebtness at the beginning of the financial year</b>                                   |                                  |                 |          |                    |
| i) Principal Amount  | 1,340,833                        | -               | -        | 1,340,833          |
| ii) Interest due but not paid  | -                                | -               | -        | -                  |
| iii) Interest accrued but not due  | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>  | <b>1,340,833</b>                 |                 |          | <b>1,340,833</b>   |
| <b>Change in Indebtedness during the financial year</b>                                    |                                  |                 |          |                    |
| Additions  | -                                | -               | -        | -                  |
| Reduction  | 208296                           | -               | -        | 208296             |
| <b>Net Change</b>  | <b>208,296</b>                   |                 |          | <b>208296</b>      |
| <b>Indebtedness at the end of the financial year</b>                                       |                                  |                 |          |                    |
| i) Principal Amount  | 1,132,537                        | -               | -        | 1,132,537          |
| ii) Interest due but not paid  | -                                | -               | -        | -                  |
| iii) Interest accrued but not due  | -                                | -               | -        | -                  |
|  | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>  | <b>1,132,537</b>                 |                 |          | <b>1,132,537</b>   |

### (iii) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

|                              | Share holding at the beginning of the year<br>01/04/2016 |                                  | Share holding at the end of the year 31/03/2017 |                                  |
|------------------------------|--|----------------------------------|---|----------------------------------|
|                              | Number of Shares   | % of total shares of the company | Number of Shares                                | % of total shares of the company |
| At the beginning of the year | NIL  | NIL                              | NIL   | NIL                              |
| At the end of the year       | NIL  | NIL                              | NIL   | NIL                              |

# FIRST FINANCIAL SERVICES LIMITED

## (VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

| A. Remuneration to Managing Director, Whole time director and/or Manager: |  |  |          |                |
|---|--|--|----------|----------------|
| Sr. No  | Particulars of Remuneration  | Name of the MD/WTD/Manager                                 |          | Total Amount   |
| 1   | <b>Gross salary</b>  | <b>Mr Nirmal Singh Mertia</b>                              |          |                |
|   | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 334,000  | -        | 334,000        |
|   | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                   | -  | -        | -              |
|   | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961    | -  | -        | -              |
| 2   | Stock option   | -  | -        | -              |
| 3   | Sweat Equity   | -  | -        | -              |
| 4   | Commission<br>-as % of profit<br>-others (specify)                               | -  | -        | -              |
| 5   | Others, please specify   | -  | -        | -              |
|   | <b>Total (A)</b>   | <b>334,000</b>   | <b>-</b> | <b>334,000</b> |
|   | <b>Ceiling as per the Act</b>  | The above remuneration is within the limits as per the Act |          |                |

| B. Remuneration to other directors: |  |                          |                            |               |
|-------------------------------------|--|--------------------------|----------------------------|---------------|
| Sl. No                              | Particulars of Remuneration                    | Name of the Directors    |                            | Total Amount  |
| 1                                   | <b>Independent Directors</b>                   | <b>Chandrika Panchal</b> | <b>Girishkumar Panchal</b> |               |
|                                     | (a) Fee for attending board committee meetings | 10,273                   | 12,327                     | 22,600        |
|                                     | (b) Commission                                 | -                        | -                          | -             |
|                                     | (c) Others, please specify                     | -                        | -                          | -             |
|                                     | <b>Total (1)</b>                               | <b>10,273</b>            | <b>12,327</b>              | <b>22,600</b> |
| 2                                   | <b>Other Non Executive Directors</b>           |                          |                            |               |
|                                     | (a) Fee for attending board committee meetings | -                        | -                          | -             |
|                                     | (b) Commission                                 | -                        | -                          | -             |
|                                     | (c) Others, please specify.                    | -                        | -                          | -             |
|                                     | <b>Total (2)</b>                               | <b>-</b>                 | <b>-</b>                   | <b>-</b>      |
|                                     | <b>Total (B)=(1+2)</b>                         | <b>10,273</b>            | <b>12,327</b>              | <b>22,600</b> |
|                                     | <b>Total Managerial Remuneration</b>           | <b>-</b>                 | <b>-</b>                   | <b>-</b>      |
|                                     | <b>Overall Ceiling as per the Act.</b>         | <b>-</b>                 | <b>-</b>                   | <b>-</b>      |

| C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD |  |   |
|---|--|---|
| Sl. No.   | Particulars of Remuneration  | Key Managerial Personnel  |
| 1   | <b>Gross Salary</b>  | <b>Total</b>  |
|   | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | None of the KMP's are in receipt of any remuneration from the Company |
|   | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       |   |
|   | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961        |   |
| 2   | Stock Option   |   |
| 3   | Sweat Equity   |   |
| 4   | Commission<br>- as % of profit<br>- others, specify                                  |   |
| 5   | Others, please specify   |   |
|   | <b>Total</b>   |   |

## FIRST FINANCIAL SERVICES LIMITED

### IX PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/<br>Punishment/<br>Compounding fees<br>imposed | Authority (RD/<br>NCLT/Court) | Appeal made if<br>any (give details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|--------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                               |                                      |
| Penalty                             |                              |                   | NIL   |                               |                                      |
| Punishment                          |                              |                   |   |                               |                                      |
| Compounding                         |                              |                   |   |                               |                                      |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                               |                                      |
| Penalty                             |                              |                   | NIL   |                               |                                      |
| Punishment                          |                              |                   |   |                               |                                      |
| Compounding                         |                              |                   |   |                               |                                      |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                               |                                      |
| Penalty                             |                              |                   | NIL   |                               |                                      |
| Punishment                          |                              |                   |   |                               |                                      |
| Compounding                         |                              |                   |   |                               |                                      |



**AUDITORS' REPORT ON CORPORATE GOVERNANCE**

To

The Members,

**FIRST FINANCIAL SERVICES LIMITED**

We have examined the compliance of conditions of Corporate Governance by **FIRST FINANCIAL SERVICES LIMITED** for the year ended on 31<sup>st</sup> March, 2017, as stipulated in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as the SEBI Listing Regulations, 2015) of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 SEBI Listing Regulations, 2015. Except with the following non compliances:

1. Composition of the board members in case of Nomination & Remuneration committee requires at least three directors and all of them shall be non-executive directors whereas one of the member of the committee is executive director of the company which is not as per the SEBI Listing Regulations, 2015.
2. The Whole Time Company Secretary and Compliance officer have not been appointed by the company.
3. The Chief Financial Officer has not been appointed by company.

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 S A R A & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. 120927W**

**Sd/-**  
**Ramawatar Sharma**  
**Partner**  
**Membership No. 102644**

**Place: Mumbai**  
**Date: 31<sup>st</sup> August, 2017**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**A) INDUSTRY STRUCTURE AND DEVELOPMENT:**

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

**B) PERFORMANCE AND OUTLOOK:**

| PARTICULARS              | FINANCIAL YEAR ENDED 31 <sup>st</sup> MARCH 2017 | FINANCIAL YEAR ENDED 31 <sup>st</sup> MARCH 2016 |
|--------------------------|--|--|
| Total Revenue            | 119,634,058.00                                   | 116,307,942.00                                   |
| Profit/(Loss) Before Tax | (18,38,349.00)                                   | (7,539,988.00)                                   |
| Provision for Taxation   |  |  |
| Current Tax              | -  | -  |
| Deffered Tax             | 1,856.00   | 1,547.00   |
| Tax of earlier year      | -  | -  |
| Profit/(Loss) After Tax  | (18,40,205.00)                                   | (75,41,535.00)                                   |

In the last few years, the financial services sector was under pressure due to many factors i.e. downtrends in global markets, changes in regulatory policies, changes in RBI Policies etc. However the Company has a vision to enhance its business in the coming years.

**C) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

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

The internal control is supplemented on an ongoing basis, by an extensive program of internal audit being implemented throughout the year by 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:**

It is your Company's belief that people are at the heart of corporate & constitute the primary source of sustainable competitive advantage. The trust of your Company's human resource development efforts therefore is to create a responsive and market driven organization. Your Company continues its focus on strengthening competitiveness in all its business. Your directors look forward to the future with confidence. The Company has followed a conscious policy of providing training to Management Staff through in-house and external programs, for upgrading personal and technical skills in relevant areas of functional disciplines.

**E) RISK MANAGEMENT:**

Although the Company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion.

Therefore, in accordance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company through Audit Committee.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business Risk, inter alia, further include financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps are taken to mitigate the same.

**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.

**Place: Mumbai**

**Date: 31<sup>st</sup> August, 2017**

**On behalf of the Board**

**For First Financial Services Limited**

**Sd/-**

**Mr. Nirmal Singh Mertia**

**Whole Time Director**

**DIN-03584434**

**Sd/-**

**Mr. Girishkumar Panchal**

**Director**

**DIN-07227360**

**REPORT ON CORPORATE GOVERNANCE**

**1) OUR PHILOSOPHY ON CORPORATE GOVERNANCE:**

Your Company has been practicing the principal of good corporate governance over the years. It is committed to follow sound systems to support healthy business growth. The Company has complied with the recommendations of the code of corporate governance and is also committed to adherence to highest standards of corporate governance both in letter and in spirit.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

**2) BOARD OF DIRECTORS**

**a) Composition and Category of Directors:**

The composition of the board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. The Board of Directors of the Company consists of three members as on 31<sup>st</sup> March, 2017.

|                               |   |                                      |
|-------------------------------|---|--------------------------------------|
| Mr. Nirmal Singh Mertia       | - | Executive Director                   |
| Mrs. Chandrika Girish Panchal | - | Non-Executive & Independent Director |
| Mr. Girishkumar Panchal       | - | Non-Executive & Independent Director |

Independent directors are non-executive directors as defined under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with 149(6) of the Companies Act, 2013 ("Act"). The maximum tenure of the independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Act.

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.

**b) Board Meetings, Attendance & committee Memberships:**

During the year Six Board Meetings were held on following date:

28<sup>th</sup> May 2016, 20<sup>th</sup> July, 2016, 13<sup>th</sup> August 2016, 26<sup>th</sup> August 2016, 12<sup>th</sup> November 2016, and 13<sup>th</sup> February 2017.

The time gap between the two meetings was not more than 120 days. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

| Sr. No. | Name of Director               | No of Board Meetings Attended | Attendance at Last AGM | No. of Directorships In other Public Companies | No. of Committee membership In the Company |        |
|---------|--------------------------------|-------------------------------|------------------------|--|--|--------|
|         |                                |                               |                        |  | Chairman                                   | Member |
| 1.      | Mr. Nirmal Singh Mertia        | 5                             | Yes                    | -  | -  | 3      |
| 2.      | *Mrs. Chandrika Girish Panchal | 5                             | Yes                    | -  | 2  | 3      |
| 3.      | Mr. Girishkumar Panchal        | 6                             | Yes                    | -  | 1  | 3      |

\*Mr. Chandrika Girish Panchal (DIN-07227061) was appointed as the Additional Director of the Company on 28<sup>th</sup> May, 2016 and subsequently appointed as the member of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee on 28<sup>th</sup> May, 2016.

\*\*Ms. Ritu Tusham (DIN- 06896437) ceased to be the Director of the Company with effect from 28<sup>th</sup> May, 2016 and subsequently ceased to be member of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee on the same date.

- The necessary quorum was present for all the meetings.
- During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole.
- Familiarisation Programme imparted to Independent Director is available on the website of the Company (URL: [http://ffsionline.com/investor\\_relations.php](http://ffsionline.com/investor_relations.php)).
- The Non-Executive Directors of the Company do not hold any shares during the year.
- The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

## 3) BOARD COMMITTEES:

The Board has constituted the following committees of Directors:

- I) **Audit Committee**
- II) **Nomination and Remuneration Committee**
- III) **Stakeholders Relationship Committee**

### I) **AUDIT COMMITTEE:**

#### A. **Composition and Attendance:**

The Audit committee has 3 (three) members as on 31<sup>st</sup> March, 2017 i.e. Mrs. Chandrika Girish Panchal (Chairman), Mr. Nirmal Singh Mertia and Mr. Girishkumar Panchal. The Committee has met four (4) times during the financial year ended 31<sup>st</sup> March 2017 i.e. on 28<sup>th</sup> May, 2016, 13<sup>th</sup> August 2016, 12<sup>th</sup> November 2016, and 13<sup>th</sup> February 2017. The gap between two meetings did not exceed four months.

Details of attendance of each member at the Audit Committee Meetings is given below:-

| Name of the Director    | Position | Category                              | Meeting attendance |
|-------------------------|----------|---------------------------------------|--------------------|
| *Mrs. Chandrika Panchal | Chairman | Non- Executive & Independent Director | 3                  |
| Mr. Nirmal Singh Mertia | Member   | Executive Director                    | 4                  |
| Mr. Girishkumar Panchal | Member   | Non-Executive & Independent Director  | 4                  |

\*\*Mrs. Chandrika Panchal (DIN- 07227061) was appointed as the Additional Director of the Company on 28<sup>th</sup> May, 2016 and was subsequently appointed as the member of the Audit Committee on 28<sup>th</sup> May, 2016.

\*\*Mr. Ritu Tusham (DIN- 06896437) ceased to be the Director of the Company with effect from 28<sup>th</sup> May, 2016 and subsequently ceased to be member of the Audit Committee on the same date.

#### B. **Terms of reference:**

The brief terms of reference of the Audit Committee include: –

- 1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
- 5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- 7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) approval or any subsequent modification of transactions of the listed entity with related parties;
- 9) scrutiny of inter-corporate loans and investments;

- 10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 11) evaluation of internal financial controls and risk management systems;
- 12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) discussion with internal auditors of any significant findings and follow up there on;
- 15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) to review the functioning of the whistle blower mechanism;
- 19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**II) NOMINATION AND REMUNERATION COMMITTEE**

**A. Composition and attendance:**

The Nomination and Remuneration Committee has 3(Three) members as on 31<sup>st</sup> March, 2017 i.e. Mrs. Chandrika Panchal (Chairman), Mr. Nirmal Singh Mertia and Mr. Girishkumar Panchal. There was no meeting conducted during the year.

Details of attendance of each member at the Nomination and Remuneration Committee Meetings is given below:-

| Name of the Director    | Position | Category                              | Meeting attendance |
|-------------------------|----------|---------------------------------------|--------------------|
| *Mrs. Chandrika Panchal | Chairman | Non- Executive & Independent Director | -                  |
| Mr. Nirmal Singh Mertia | Member   | Executive Director                    | -                  |
| Mr. Girishkumar Panchal | Member   | Non-Executive & Independent Director  | -                  |

\* Mrs. Chandrika Panchal (DIN- 07227061) was appointed as the Additional Director of the Company on 28<sup>th</sup> May, 2016 and was subsequently appointed as the member of the Nomination and Remuneration Committee on 28<sup>th</sup> May, 2016.

\*\*Ms. Ritu Tusham (DIN- 06896437) ceased to be the Director of the Company with effect from 28<sup>th</sup> May, 2016 and subsequently ceased to be member of the Nomination and Remuneration Committee on the same date.

**B. Terms of Reference:**

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3) devising a policy on diversity of board of directors;
- 4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**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 Executive Directors and Key managerial persons is fixed by the Nomination and Remuneration Committee. The remuneration is decided by the Nomination and Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company etc.

**Details of Remuneration to the directors for the year:**

| Name of the Director    | Remuneration paid during the year 2016-2017 Amount (in Rs) |
|-------------------------|--|
| Mr. Nirmal Singh Mertia | Rs. 3,34,000 p.a.  |

Other Disclosures:

The details of remuneration payable to Mr. Nirmal Singh Mertia is given below:

- Elements of Salary/Remuneration: Basic Salary- Rs.3,34,000 p.a.
- Fixed components of Remuneration and performance linked incentives along with performance criteria: NA
- Service Contract, Notice Period, Severance fees: Mr. Nirmal Singh Mertia was appointed as the Whole Time Director of the Company for a term of 5 years w.e.f. 27<sup>th</sup> July, 2014. Other terms and conditions are as per the Agreement executed between company and the said director.
- Stock Option Details: NA

No remuneration has been paid to non-executive directors of the Company during the year other than sitting Fees.

The sitting fees to Directors is as follows:

| Name of Director        | Amount     |
|-------------------------|------------|
| Mrs. Chandrika Panchal  | Rs. 10,273 |
| Mr. Girishkumar Panchal | Rs. 12,327 |

**D. Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

The criteria and remuneration policy are subject to review by the Nomination & Remuneration committee & the Board of Directors of the Company and has been uploaded on the Company's website- [www.ffslonline.com](http://www.ffslonline.com)

**III) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**A. Composition:**

The Stakeholders Relationship Committee has 3(Three) members as on 31<sup>st</sup> March, 2017 i.e. Mr. Girishkumar Panchal (Chairman) Mr. Nirmal Singh Mertia, and Ms. Chandrika Panchal. The Committee has met Three (3) times during the financial year ended 31<sup>st</sup> March, 2017. i.e on 28<sup>th</sup> May 2016 and 12<sup>th</sup> November 2016.

Details of attendance of each member at the Stakeholders Relationship Committee Meetings is given below:-

| Name of the Director    | Position | Category                             | Meeting attendance |
|-------------------------|----------|--------------------------------------|--------------------|
| Mr. Girishkumar Panchal | Chairman | Non-Executive & Independent Director | 2                  |
| Mr. Nirmal Singh Mertia | Member   | Executive Director                   | 2                  |
| *Mrs. Chandrika Panchal | Member   | Non-Executive & Independent Director | 2                  |

\*Mrs. Chandrika Panchal (DIN- 07227061) was appointed as the Additional Director of the Company on 28<sup>th</sup> May, 2016 and was subsequently appointed as the member of the Stakeholder Relationship Committee on 28<sup>th</sup> May, 2016.

\*\*Ms. Ms. Ritu Tusham (DIN- 06896437) ceased to be the Director of the Company with effect from 28<sup>th</sup> May, 2016 and subsequently ceased to be member of the Stakeholders Relationship Committee on the same date.

**B. Terms of Reference:**

The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non- receipt of annual report and non-receipt of declared dividends.

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.

**C. Information on Investor Grievances for the period from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March 2017:**

There are no outstanding complaints at the close of financial year which were received from shareholders during the year. The Company has no transfers pending at the close of the financial year.

The total no. of complaints received and complied during the year were:

Opening: Nil

Complaints Received: 2

Complied: 2

Pending: Nil

The complaints had been attended to within seven days from the date of receipt of the compliant, as communicated by the Registrar and Transfer Agent i.e Bigshare Services Pvt. Ltd.

The Outstanding complaints as on 31<sup>st</sup> March 2017 – Nil

**D. Compliance Officer:**

Mr. Nirmal Singh Mertia is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**4) GENERAL BODY MEETINGS:**

**A. PARTICULARS OF GENERAL MEETINGS HELD DURING LAST THREE YEARS:**

| Year      | Location   | Date                             | Time      |
|-----------|--|----------------------------------|-----------|
| 2013-2014 | 2nd Floor Old no.24 new no. 45,Venkata Maistry Street, Mannady, Chennai 600 001. | 30 <sup>th</sup> September, 2014 | 10.00 A.M |
| 2014-2015 | 2nd Floor Old no.24 new no. 45,Venkata Maistry Street, Mannady, Chennai 600 001. | 28 <sup>th</sup> September, 2015 | 10.00A.M. |
| 2015-2016 | ICSA Programme Centre, 107, Pantheon Road, Egmore, Chennai – 600008.             | 30 <sup>th</sup> September, 2016 | 01.00 P.M |

**B. EXTRAORDINARY GENERAL MEETINGS HELD DURING THE YEAR:**

There were no Extraordinary General Meetings conducted during the financial year 2016-2017.

**C. SPECIAL RESOLUTION:**

The following Special Resolutions were passed in the previous Three Annual General Meetings (AGM):

1. Revision of Remuneration payable to Mr. Nirmal Singh Mertia (DIN-03584434) Whole Time Director of the Company.
2. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.

**D. POSTAL BALLOT:**

There was no Postal Ballot conducted during the financial year 2016-17.

**Whether any special resolution is proposed to be conducted through Postal Ballot:**

No resolutions are proposed to be conducted.

**5) DISCLOSURES:**

**a. Related Party transactions**

During the period under review, besides the transactions reported in the Notes to Accounts to the Financial Statements, 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.

The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link: [www.ffsionline.com](http://www.ffsionline.com)



- b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

SEBI passed an ex-parte ad interim order dated 19<sup>th</sup> December, 2014 to the Company under Section 11 (1), 11 (4) and 11 (B) of the Securities Exchange Board of India Act, 1992 for your Company for not accessing the capital market. Further SEBI also passed a final order dated 20<sup>th</sup> April 2015 in continuation of the interim order passed on 19<sup>th</sup> December, 2014.

Your Company filed an appeal with Securities Appellate Tribunal on 12<sup>th</sup> January, 2015 against the abovesaid order. SAT directed SEBI to conclude the investigation and pass appropriate order on merits and in accordance with law expeditiously. Vide the order dated 25<sup>th</sup> August, 2016, SEBI granted some interim relief to your Company. Currently SEBI is conducting its investigation.

- c. Accounting treatment in preparation of Financial Statements

The guidelines/ accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in preparation of the financial statements of the Company in all material respects.

- d. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link- [www.ffsionline.com](http://www.ffsionline.com)

- e. Reconciliation of share capital audit:

A Qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

- f. Code of Conduct

Your Company has laid down a Code of Conduct ("Code") for all the Board Members and Senior Management Personnel of the Company. The Code is available on the website of the Company at the following link- [www.ffsionline.com](http://www.ffsionline.com)

All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31<sup>st</sup> March, 2017.

- g. Familiarisation Programme imparted to Independent Director is available on the website of the Company (URL: [www.ffsionline.com](http://www.ffsionline.com))

- h. The Company has adopted a Policy on Determination of 'Materiality for Disclosures' as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (URL: [www.ffsionline.com](http://www.ffsionline.com)) and a 'Policy for Preservation of Documents' as per Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (URL: [www.ffsionline.com](http://www.ffsionline.com))

- i. Compliance with Discretionary requirements under Listing Regulations: The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with most of the mandatory requirements of Listing Regulations. Evaluating the relations with Stakeholders, your Company will start complying non mandatory compliance also in coming years.

**6) LISTING AGREEMENT:**

The Securities and Exchange Board of India (SEBI), on 2<sup>nd</sup> September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective 1<sup>st</sup> December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited on 8<sup>th</sup> February 2016.

**7) MEANS OF COMMUNICATION:**

- A. Financial Results were published during the financial year as follows.**

| Financial Results | Un-Audited / Audited | Newspaper                       |
|-------------------|----------------------|---------------------------------|
| First Quarter     | Unaudited            | -                               |
| Second Quarter    | Unaudited            | Trinity Mirror and Makkal Kural |
| Third Quarter     | Unaudited            | Trinity Mirror and Makkal Kural |
| Fourth Quarter    | Audited              | Trinity Mirror and Makkal Kural |

- (i) The Board of Directors of the Company approved and took on record the Un-Audited / Audited financial results within 45 days of quarter / half year and communicated the result to the Stock Exchange where the shares of the Company is listed and also put on Company's website: www.ffslonline.com

Note: The 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.

- (ii) Whether the Company also displays official News Releases- Not Applicable  
 (iii) Presentations made to the institutional investors or to the analysts- Not Applicable

**8) GENERAL SHAREHOLDERS INFORMATION:**

**(i) Annual General Meeting**

Day, Date & Time : Friday, 29<sup>th</sup> September, 2017 at 10.00 A.M.

Venue : ICSA Programme Centre, 107, Pantheon Road

Egmore, Chennai- 600008.

**(ii) Financial Year**

Year Ending : 31<sup>st</sup> March

AGM in : September

**(iii) Financial Calendar 2017-18(Tentative)**

Tentative calendar for the year 2017-18 is as per following:-

Results for the quarter ending on 30<sup>th</sup> June 2017 : Second week of August 2017.

Results for the quarter ending on 30<sup>th</sup> Sept. 2017 : Second Week of Nov. 2017.

Results for the quarter ending on 31<sup>st</sup> Dec. 2017 : Second Week of Feb. 2018.

Results for the quarter ending on 31<sup>st</sup> March 2018 : Last Week of May 2018.

**(iv) Book Closure dates**

25<sup>th</sup> September, 2017 to 29<sup>th</sup> September 2017 (both days inclusive).

**(v) Registered Office/Corporate Office**

Registered Office : 2<sup>nd</sup> Floor, Old.No.24 New No.45 Venkata Maistry Street, Mannady, Chennai, Tamil Nadu 600001

Corporate Office : 205, 2<sup>nd</sup> Floor, Kothari Mall, S.V. Road, Malad (W), Mumbai 400064.

**(vi) Equity shares listed on Stock Exchanges at**

BSE Limited, Mumbai

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

**Note:** Our Company has been suspended from BSE in equity trading w.e.f. 31<sup>st</sup> December, 2014.

**(vii) Company Registration Details**

The Corporate Identity Number (CIN) : L85100TN1984PLC011231

Trading Symbol at : BSE Limited (Physical Segment)

511369 FIRFIN

Demat ISIN Number in : Equity Shares INE141N01025

NSDL & CDSL

**(viii) Stock Market data from April 2016 to March 2017. (In Rs. / Per Share)**

| Period     | High | Low |
|------------|------|-----|
| April 2016 | -    | -   |
| May 2016   | -    | -   |

| Period         | High | Low |
|----------------|------|-----|
| June 2016      | -    | -   |
| July 2016      | -    | -   |
| August 2016    | -    | -   |
| September 2016 | -    | -   |
| October 2016   | -    | -   |
| November 2016  | -    | -   |
| December 2016  | -    | -   |
| January 2017   | -    | -   |
| February 2017  | -    | -   |
| March 2017     | -    | -   |

**Note:** Our Company has been suspended from BSE in equity trading w.e.f. 31<sup>st</sup> December, 2014.

- (ix) **Performance in comparison to broad based indices such as BSE sensex, CRISIL INDEX etc-** Our Company has been suspended from BSE in equity trading w.e.f. 31<sup>st</sup> December, 2014.
- (x) **Reason for suspension of securities-** The Company has been suspended from BSE due to penal reasons w.e.f. 31<sup>st</sup> December, 2014.
- (xi) **Distribution of Shareholdings as on 31<sup>st</sup> March 2017:**

| Shares or Debentures Holding of nominal value of | Shares / debenture Holders |               | Share / Debenture amount |               |
|--|----------------------------|---------------|--------------------------|---------------|
|  | Rs. - Rs                   | Number        | % total                  | (In Rs.)      |
| 1 - 5000   | 5449                       | 98.1979       | 1119339                  | 1.3826        |
| 5001 - 10000                                     | 7                          | 0.1261        | 62027                    | 0.0768        |
| 10001 - 20000                                    | 2                          | 0.0360        | 29000                    | 0.0359        |
| 20001 - 30000                                    | 3                          | 0.0541        | 69000                    | 0.0855        |
| 30001 - 40000                                    | 2                          | 0.0360        | 74610                    | 0.0924        |
| 40001 - 50000                                    | 8                          | 0.1442        | 367890                   | 0.4556        |
| 50001 - 100000                                   | 9                          | 0.1622        | 644000                   | 0.7975        |
| 100001 and above                                 | 69                         | 1.2435        | 78381734                 | 97.0700       |
| <b>Total</b>                                     | <b>5549</b>                | <b>100.00</b> | <b>80747600</b>          | <b>100.00</b> |

(xii) **Share Transfer System**

Share transfers 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.

(xiii) **Registrar and Transfer Agent**

Bigshare Services Pvt. Ltd.

1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East),

Mumbai – 400 059. Phone No. : 022-40430200/62638200, Fax No. : 022-28475207/62638299

Email: investor@bigshareonline.com/sandeep@bigshareonline.com

**(xiv) Shareholding Pattern (Category Wise) as on 31<sup>st</sup> March, 2017:**

| Category                   | No. of Shares   | Percentage    |
|----------------------------|-----------------|---------------|
| Promoters                  | NIL             | NIL           |
| Mutual Funds / UTI & Banks | NIL             | NIL           |
| Bodies Corporate           | 50427816        | 62.45         |
| Resident Individuals       | 22677134        | 28.08         |
| NRIs / FIIs                | 7202            | 0.01          |
| Clearing Members           | 7635448         | 9.46          |
| <b>TOTAL</b>               | <b>80747600</b> | <b>100.00</b> |

**(xv) List of the Top 10 Shareholders of the Company (Excluding Promoter group) as on 31<sup>st</sup> March, 2017.**

| Sr. No. | Name of shareholder                    | No. Of shares held | Percentage   |
|---------|--|--------------------|--------------|
| 1       | Comfort Securities Ltd                 | 12741645           | 15.78        |
| 2       | Narayani Pratisthan Private Limited    | 4255000            | 5.27         |
| 3       | Minimum Shares and Securities Pvt. Ltd | 4083522            | 5.06         |
| 4       | Kirit Vasudeo Dave                     | 3933161            | 4.87         |
| 5       | MC Pride Distillery Pvt Ltd            | 3766731            | 4.66         |
| 6       | Rajani Investment Private Limited      | 3638327            | 4.51         |
| 7       | Madhu Devi Saraf                       | 3500000            | 4.33         |
| 8       | Sunita Motilal Sinha                   | 3421000            | 4.24         |
| 9       | R K Investment Pvt Ltd                 | 3375051            | 4.18         |
| 10      | Veena Mohanlal Chandiramani            | 3088030            | 3.82         |
|         | <b>Total</b>                           | <b>45802467</b>    | <b>56.72</b> |

**(xvi) Dematerialization of Shares**

Approximately 98.55% of the Equity Shares have been dematerialized for the year ended 31<sup>st</sup> March, 2017.

Trading in Equity shares of the Company is permitted only in dematerialized form w.e.f. 26<sup>th</sup> June 2000 as per notification issued by the Securities and Exchange Board, India (SEBI).

**(xvii) Liquidity**

Relevant data of the average daily working days turnover for the financial year 2016-2017 is given below:

**BSE LIMITED**

Shares (in lacs) : NA\*

Amount (in Rs lacs) : NA\*

\* The Company has been suspended from BSE in equity trading w.e.f. 31<sup>st</sup> December, 2014.

**(xviii) Outstanding GDRs/ADRs/Warrants etc or any convertible instruments, conversion date and likely impact on equity**

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

**(xix) Commodity price risk or foreign exchange risk and hedging activities-** Not Applicable

(xx) Investor correspondence for transfer/ dematerialization of shares and any other query relating to the shares of the Company.

| For Shares held in Physical form  | For Shares held in Demat Form   |
|---|---|
| BIGSHARE SERVICES PVT. LTD.<br>1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai-400059.<br>Phone No. : 022-40430200/62638200,<br>Fax No.:02228475207/62638299. | To Depository Participant<br>or<br>BIGSHARE SERVICES PVT. LTD.<br>1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai-400059.<br>Phone No. : 022-40430200/62638200,<br>Fax No.:02228475207/62638299 |

|                            |  |
|----------------------------|--|
| Any query on Annual Report | First Financial Services Limited.<br>Reg Off: 2 <sup>nd</sup> Floor, Old no.24 New no.45,Venkata Maistry Street, Mannady, Chennai-600001.<br>Corporate Off: 205, 2 <sup>nd</sup> Floor, Kothari Mall, S.V. Road, Malad (W), Mumbai 400064.<br><a href="mailto:Email-firstfinancialserviceslimited@gmail.com">Email-firstfinancialserviceslimited@gmail.com</a> |
|----------------------------|--|

xxi) Address for Correspondence:

205, 2<sup>nd</sup> Floor, Kothari Mall, S.V. Road, Malad (W), Mumbai 400064.

9) **DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT AS PER REGULATION 17 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges, I hereby confirm that, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2017.

Place: Mumbai

Date: 31<sup>st</sup> August, 2017

On behalf of the Board

For First Financial Services Limited

Sd/-

Mr. Nirmal Singh Mertia

Whole Time Director

DIN- 03584434

**CEO/CFO CERTIFICATION**

To,

The Board of Directors

**First Financial Services Limited**

Dear Sirs,

- A. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2017 and to the best of our knowledge and belief that:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of the our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. 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.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**Place: Mumbai**

**Date: 31<sup>st</sup> August, 2017**

**On behalf of the Board**

**For First Financial Services Limited**

**Sd/-**

**Mr. Nirmal Singh Mertia**

**Whole Time Director**

**DIN- 03584434**

**INDEPENDENT AUDITOR'S REPORT**

To,

The Members of **FIRST FINANCIAL SERVICES LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of **M/S FIRST FINANCIAL SERVICES LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and a summary of Significant Accounting Policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and of the standalone financial statements, that give true and fair view, in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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 standalone financial statements.

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

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 **31st March, 2017**;
- (ii) In the case of the Statement of Profit and Loss; of the **PROFIT** for the year ended on that date;
- (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 (Auditors Report) Order, 2016 issued by the Central Government of India in terms of section 143 (11) of the Act, we give in "Annexure A" a statement on matters specified in paragraph 3 and 4 of the said order.
2. As required by section 143(3) of the Act, based on our audit, we report to the extent applicable that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the relevant books of accounts;
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the mandatory Accounting Standards referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representation received from the Directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a Director in terms of Sub-section (2) of section 164 of the Act.
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements, if any.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts required to be transferred, if any, to the Investor Education and Protection Fund by the Company.
    - iv. The company has provided requisite disclosures in its standalone financial statements as regards its holdings and dealing in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on the audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the company. (Refer Note '30' to the standalone financial statements.)

**For S A R A & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN NO.: 120927W**

Sd/-

**Ramawatar Sharma**  
**(Partner)**  
**M. No. 102644**

Place : Mumbai

Date : 29<sup>th</sup> May, 2017



**ANNEXURE “A” TO THE AUDITORS’ REPORT**

Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the accounts for the year ended 31<sup>st</sup> March, 2017 of **FIRST FINANCIAL SERVICES LIMITED**. On the basis of such checks as we considered appropriate and in terms of information and explanations provided to us we state that:

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable; according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) Since the company is a service company. Accordingly, it does not hold any physical inventories except shares. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- 3) The Company has not granted any loans covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the grant of loans, making investment and providing guarantees and securities, as applicable.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- 7) According to the information and explanations given to us, in respect of statutory dues:
  - a) On the basis of our examination of the records of the company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of employees’ state insurance, duty of excise, provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no material dues of sales tax or service tax or duty of customs or value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- 8) According to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- 9) The Company did not have any term loans outstanding during the year. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 10) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) The company has given remuneration to the directors in accordance with the requisite approvals and in accordance with the provisions of section 197 of the Companies act 2013.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

- 14) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- 16) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For S A R A & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. 120927W**

**Sd/-**  
**Ramawatar Sharma**  
**Partner**  
**Membership No. 102644**

**Place :** Mumbai  
**Date :** 29<sup>th</sup> May, 2017

**ANNEXURE “B” TO THE AUDITORS’ REPORT**

(Referred to in paragraph 2(f) under “Report on other Legal and Regulatory Requirements’ section of our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **First Financial Services Limited** (“the Company”) as of 31<sup>st</sup> March, 2017 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S A R A & ASSOCIATES****CHARTERED ACCOUNTANTS****Firm Registration No.: 120927W****Sd/-****Ramawatar Sharma****(Partner)****Membership Number: 102644****Place: Mumbai****Date: 29<sup>th</sup> May, 2017**

# FIRST FINANCIAL SERVICES LIMITED

## FIRST FINANCIAL SERVICES LIMITED BALANCE SHEET AS AT MARCH 31, 2017

(Amount in INR)

|           | Particulars   | Note No. | As at March 31, 2017 |                    | As at March 31, 2016 |                    |
|-----------|---|----------|----------------------|--------------------|----------------------|--------------------|
| <b>I</b>  | <b>Equity &amp; Liabilities</b>                     |          |                      |                    |                      |                    |
|           | <b>1. Shareholders' funds</b>                       |          |                      |                    |                      |                    |
|           | (a) Share Capital                                   | 2        | 80,747,600           |                    | 80,747,600           |                    |
|           | (b) Reserves and Surplus                            | 3        | 81,662,790           |                    | 83,502,995           |                    |
|           | (c) Money received against share warrants           |          | -                    |                    | -                    |                    |
|           |   |          |                      | 162,410,390        |                      | 164,250,595        |
|           | <b>2. Share application money pending allotment</b> |          | -                    |                    | -                    |                    |
|           | <b>3. Non - Current Liabilities</b>                 |          |                      |                    |                      |                    |
|           | (a) Long -Term Borrowings                           |          | -                    |                    | -                    |                    |
|           | (b) Deferred Tax Liabilities (Net)                  | 4        | 5,533                |                    | 3,677                |                    |
|           | (c) Other Long - Term Liabilities                   |          | -                    |                    | -                    |                    |
|           | (d) Long - Term Provisions                          |          | -                    |                    | -                    |                    |
|           |   |          |                      | 5,533              |                      | 3,677              |
|           | <b>4. Current Liabilities</b>                       |          |                      |                    |                      |                    |
|           | (a) Short - Term Borrowings                         | 5        | 1,132,537            |                    | 1,340,833            |                    |
|           | (b) Trade Payables                                  | 6        | 455,601              |                    | 10,840,287           |                    |
|           | (c) Other Current Liabilities                       | 7        | 437,533              |                    | 528,838              |                    |
|           | (d) Short - Term Provisions                         |          | -                    |                    | -                    |                    |
|           |   |          |                      | 2,025,671          |                      | 12,709,958         |
|           | <b>TOTAL</b>  |          |                      | <b>164,441,594</b> |                      | <b>176,964,230</b> |
| <b>II</b> | <b>Assets</b>                                       |          |                      |                    |                      |                    |
|           | <b>1. Non - Current Assets</b>                      |          |                      |                    |                      |                    |
|           | (a) Fixed Assets                                    |          |                      |                    |                      |                    |
|           | (i) Tangible Assets                                 | 8        | 24,985               |                    | 38,821               |                    |
|           | (ii) Intangible Assets                              |          | -                    |                    | -                    |                    |
|           | (iii) Capital Work-in-Progress                      |          | -                    |                    | -                    |                    |
|           | (b) Non - Current Investments                       |          | -                    |                    | -                    |                    |
|           | (c) Long - Term Loans and Advances                  | 9        | 55,408,778           |                    | 61,868,261           |                    |
|           | (d) Other Non - Current Assets                      |          | -                    |                    | -                    |                    |
|           |   |          |                      | 55,433,763         |                      | 61,907,082         |
|           | <b>2. Current Assets</b>                            |          |                      |                    |                      |                    |
|           | (a) Inventories                                     | 10       | 104,638,781          |                    | 112,872,163          |                    |
|           | (b) Trade Receivables                               |          | -                    |                    | -                    |                    |
|           | (c) Cash and Cash equivalents                       | 11       | 1,966,970            |                    | 2,025,955            |                    |
|           | (d) Short - Term Loans and Advances                 | 12       | 2,283,000            |                    | 82,000               |                    |
|           | (e) Other Current Assets                            | 13       | 119,080              |                    | 77,030               |                    |
|           |   |          |                      | 109,007,831        |                      | 115,057,148        |
|           | <b>TOTAL</b>  |          |                      | <b>164,441,594</b> |                      | <b>176,964,230</b> |
|           | <b>Significant Accounting Policies</b>              | 1        |                      |                    |                      |                    |

As per our report of even date  
For S A R A & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn.No.120927W

For First Financial Services Limited

Sd/-  
Ramawatar Sharma  
Partner  
Membership No. 102644

Sd/-  
Nirmal Singh Mertia  
Whole time Director  
DIN: 03584434

Sd/-  
Girishkumar Panchal  
Director  
DIN: 07227360

Place : Mumbai  
Date : 29 May, 2017

# FIRST FINANCIAL SERVICES LIMITED

## FIRST FINANCIAL SERVICES LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in INR)

|      | Particulars   | Note No. | For the period ended<br>March 31, 2017 |                    | For the year ended<br>March 31, 2016 |                    |
|------|---|----------|--|--------------------|--------------------------------------|--------------------|
| I    | Revenue from Operations   | 14       | 12,873,637                             |                    | -                                    |                    |
|      | Closing Stock   | 10       | 104,638,781                            |                    | 112,872,163                          |                    |
| II   | Other Income  | 15       | 2,121,640                              |                    | 3,435,779                            |                    |
| III  | <b>Total Revenue (I + II)</b>   |          |  | 119,634,058        |                                      | 116,307,942        |
| IV   | <b>Expenses</b>   |          |  |                    |                                      |                    |
|      | Opening Stock   |          | 112,872,163                            |                    | 110,612,800                          |                    |
|      | Purchases   | 16       | 2,300,000                              |                    | -                                    |                    |
|      | Employee Benefits Expenses  | 17       | 728,995                                |                    | 1,086,093                            |                    |
|      | Finance Costs   | 18       | 2,122,967                              |                    | 2,518,442                            |                    |
|      | Depreciation and Amortization Expense                                     | 8        | 13,836                                 |                    | 12,313                               |                    |
|      | Operating Expenses  | 19       | 3,434,446                              |                    | 9,618,281                            |                    |
|      | <b>Total Expense</b>  |          |  | 121,472,407        |                                      | 123,847,930        |
| V    | <b>Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b> |          |  | <b>(1,838,349)</b> |                                      | <b>(7,539,988)</b> |
| VI   | Exceptional Items   |          |  | -                  |                                      | -                  |
| VII  | <b>Profit before Extraordinary Items and Tax (V-VI)</b>                   |          |  | <b>(1,838,349)</b> |                                      | <b>(7,539,988)</b> |
| VIII | Extraordinary Items   |          |  | -                  |                                      | -                  |
| IX   | <b>Profit Before Tax (VII-VIII)</b>                                       |          |  | <b>(1,838,349)</b> |                                      | <b>(7,539,988)</b> |
| X    | <b>Tax Expense:</b>   |          |  |                    |                                      |                    |
|      | (a) Current Tax   |          | -                                      |                    | -                                    |                    |
|      | (b) Deferred Tax  |          | 1,856                                  |                    | 1,547                                |                    |
|      | (c) Tax of Earlier Year   |          | -                                      |                    | -                                    |                    |
|      | (d) MAT Credit Entitlement  |          | -                                      |                    | -                                    |                    |
|      |   |          |  | <b>1,856</b>       |                                      | <b>1,547</b>       |
| XI   | <b>Profit for the Period from Continuing Operations (IX - X)</b>          |          |  | <b>(1,840,205)</b> |                                      | <b>(7,541,535)</b> |
| XII  | Profit/(Loss) for the Period from Discontinuing Operations                |          |  | -                  |                                      | -                  |
| XIII | Tax Expense of Discontinuing Operations                                   |          |  | -                  |                                      | -                  |
| XIV  | <b>Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)</b> |          |  | -                  |                                      | -                  |
| XV   | <b>Profit for the Period (XI + XIV)</b>                                   |          |  | <b>(1,840,205)</b> |                                      | <b>(7,541,535)</b> |
| XVI  | <b>Earnings Per Equity Share (Face Value Rs. 1/- Per Share):</b>          | 20       |  |                    |                                      |                    |
|      | Basic (Rs.)   |          |  | (0.02)             |                                      | (0.09)             |
|      | <b>Significant Accounting Policies</b>                                    | 1        |  |                    |                                      |                    |

As per our report of even date  
**For S A R A & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 Firm Regn.No.120927W

**For First Financial Services Limited**

**Sd/-**  
**Ramawatar Sharma**  
 Partner  
 Membership No. 102644

**Sd/-**  
**Nirmal Singh Mertia**  
 Whole time Director  
 DIN: 03584434

**Sd/-**  
**Girishkumar Panchal**  
 Director  
 DIN: 07227360

Place : Mumbai  
 Date : 29 May, 2017

# FIRST FINANCIAL SERVICES LIMITED

## FIRST FINANCIAL SERVICES LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in INR)

|  | Year ended March 31, 2017 |             | Year ended March 31, 2016 |             |
|--|---------------------------|-------------|---------------------------|-------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                   |                           |             |                           |             |
| Net Profit before Tax for the year                           |                           | (1,838,349) |                           | (7,539,988) |
| <b>Adjustments for :</b>                                     |                           |             |                           |             |
| Depreciation for the year                                    | 13,836                    |             | 12,313                    |             |
| Misc. Expenses w/off   | -                         |             | 235,749                   |             |
| Dividend Received  | (531,919)                 |             | (340,393)                 |             |
| Interest Received  | (1,573,378)               |             | (3,095,386)               |             |
| Interest Paid  | 2,122,967                 | 31,506      | 2,518,442                 | (669,274)   |
| <b>Operating Profit before Working Capital change</b>        |                           | (1,806,843) |                           | (8,209,262) |
| <b>Adjustments for :</b>                                     |                           |             |                           |             |
| Decrease/(Increase) in Receivables                           | -                         |             | -                         |             |
| Decrease/(Increase) in Inventories                           | 8,233,382                 |             | (2,259,363)               |             |
| Decrease/(Increase) in Long Term Loans & Advances            | 6,459,483                 |             | 8,338,233                 |             |
| Decrease/(Increase) in Loans & Advances                      | (2,201,000)               |             | (82,000)                  |             |
| Decrease/(Increase) in Other Current Assets                  | (42,050)                  |             | (52,310)                  |             |
| Increase/(Decrease) in Payables                              | (10,384,685)              |             | (1,539,357)               |             |
| Increase/(Decrease) in Current Liabilities & Provisions      | (91,305)                  | 1,973,825   | 172,279                   | 4,577,482   |
| <b>Cash Generated From Operations</b>                        |                           | 166,982     |                           | (3,631,780) |
| Income Tax paid  |                           | -           |                           | -           |
| <b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>          |                           | 166,982     |                           | (3,631,780) |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                   |                           |             |                           |             |
| Purchase of Investments                                      |                           |             |                           | -           |
| Purchase of Fixed Assets                                     | -                         |             | (24,500)                  |             |
| Sale of Investments  | -                         |             | -                         |             |
| Dividend Received  | 531,919                   |             | 340,393                   |             |
| Interest Received  | 1,573,378                 |             | 3,095,386                 |             |
| <b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>       |                           | 2,105,297   |                           | 3,411,279   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                   |                           |             |                           |             |
| Issue of Equity Capital                                      |                           |             |                           | -           |
| Share Premium  |                           |             |                           | -           |
| Loan taken / (Repaid) in Secured Loan                        | (208,297)                 |             | 734,257                   |             |
| Interest paid  | (2,122,967)               |             | (2,518,442)               |             |
| <b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>          |                           | (2,331,264) |                           | (1,784,185) |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) |                           | (58,984)    |                           | (2,004,687) |
| Cash and Cash Equivalents -- Opening Balance                 |                           | 2,025,955   |                           | 4,030,642   |
| Cash and Cash Equivalents -- Closing Balance                 |                           | 1,966,970   |                           | 2,025,955   |

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

As per our report of even date

**For S A R A & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn.No.120927W**

**For First Financial Services Limited**

**Sd/-**  
**Ramawatar Sharma**  
Partner  
Membership No. 102644

**Sd/-**  
**Nirmal Singh Mertia**  
Whole time Director  
DIN: 03584434

**Sd/-**  
**Girishkumar Panchal**  
Director  
DIN: 07227360

Place : Mumbai  
Date : 29 May, 2017

**NOTE-'1' : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017:**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

**1. Basis of Preparation of Financial Statements:**

The financial statements have been prepared under the historical cost convention on accrual basis and are in accordance with requirements of the Companies Act, 2013 read with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), to the extent applicable.

Accounting policies not specifically referred to are, otherwise in consistent and in consonance with the generally accepted accounting principles.

**2. Use of Estimates:**

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

**3. Revenue Recognition :**

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

Income from trading of Shares:

**Quoted Shares** - Profit/ (Loss) on sale of shares is accounted for on settlement day basis i.e. T+2 system.

**Unquoted Shares** - Profit/ (Loss) on sale of shares is accounted for at the time of right to receive shares arises.

Other Income:

Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established. Income from services is recognized on accrual basis.

**4. Investments:**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value. Long term investments are carried at cost.

**5. Stock in Trade:**

Closing stock in case of quoted shares has been valued at cost or fair market value whichever is lower. Wherever quotations are not available as on 31 March 2017, inventory has been valued at last traded price or at cost whichever is lower. Wherever quotations are not available due to scrip has been suspended / delisted for a considerable period of time by stock exchanges has been valued at nil rate. Unquoted share has been valued at cost only.

**6. Fixed Assets:**

Tangible fixed assets are stated at cost of acquisition or construction inclusive of freight, duties and taxes and incidental expenses less accumulated depreciation / amortization and impairment.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

**7. Depreciation:**

- a) Depreciation on tangible fixed assets is being provided on "Straight Line Basis" at the rates derived from the useful life as per part "C" of Schedule II of the Companies Act, 2013.
- b) Depreciation on Fixed Assets added or sold/discarded/demolished during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

The management has estimated the following useful lives for fixed assets, which are similar to useful lives as prescribed in Schedule II of the Act:

|                        |   |         |
|------------------------|---|---------|
| Computer & Peripherals | - | 3 Years |
| Software               | - | 6 Years |



**8. Amortisation of Preliminary Expenses:**

Unamortized preliminary expenses are amortized equally over a period of five years by the company.

**9. Impairment of Assets:**

The Company assesses at each Balance sheet date whether there is any indication that an asset may be impaired based on internal/ external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs, is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

**10. Retirement Benefits :**

The Company is having policy of making provision of gratuity and retirement benefits payable to employees on payment basis.

**11. 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 recognized, subject to consideration of prudence, on timing difference, being the difference between taxable incomes 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 recognized to the extent there is a reasonable certainty that these would be realized in future.

**12. Earnings Per Share**

In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares that could have been issued on the conversion of all diluted potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the shares outstanding). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares adjusted for any stock splits and issues of bonus shares effected prior to the approval of the financial statements by the Board of Directors.

**13. Foreign Exchange Transactions**

Foreign Currency transactions are accounted for at the exchange rates prevailing at the time of recognition of income/expenditure and difference if any, resulting in income or expenses on settlement dealt with in profit & loss account under the head Foreign Exchange Fluctuation Gain.

Foreign currency monetary items are valued and reported on the closing rates i.e. Exchanges prevailing at the end of financial year. Exchange difference arising on such valuation is recognized as income or expenses as the case may be.

**14. Provisions and Contingent Liabilities**

Provisions are recognized when the Company has legal and constructive obligations as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

# FIRST FINANCIAL SERVICES LIMITED

## FIRST FINANCIAL SERVICES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

#### Note 2 - Share Capital

(Amount in INR)

| (a) | Particulars   | As at March 31, 2017 |                    | As at March 31, 2016 |                    |
|-----|---|----------------------|--------------------|----------------------|--------------------|
|     |   | No of Shares         | Amount             | No of Shares         | Amount             |
|     | <b>Authorised :</b>   |                      |                    |                      |                    |
|     | 16,00,00,000 Equity Shares of Re. 1/- each  | 160,000,000          | 160,000,000        | 160,000,000          | 160,000,000        |
|     | <b>TOTAL</b>  | <b>160,000,000</b>   | <b>160,000,000</b> | <b>160,000,000</b>   | <b>160,000,000</b> |
|     | <b>Issued and Subscribed :</b>  |                      |                    |                      |                    |
|     | 9,20,00,000 Equity Shares of Re. 1/- each   | 92,000,000           | 92,000,000         | 92,000,000           | 92,000,000         |
|     | <b>TOTAL</b>  | <b>92,000,000</b>    | <b>92,000,000</b>  | <b>92,000,000</b>    | <b>92,000,000</b>  |
|     | <b>Subscribed and Paid-up :</b>   |                      |                    |                      |                    |
|     | 8,07,47,600 Equity Shares of Re. 1/- each fully paid up   | 80,747,600           | 80,747,600         | 80,747,600           | 80,747,600         |
|     | <b>TOTAL</b>  | <b>80,747,600</b>    | <b>80,747,600</b>  | <b>80,747,600</b>    | <b>80,747,600</b>  |
| (b) | <b>Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.</b>  |                      |                    |                      |                    |
| i)  | The Company has only one class of Equity Shares having a par value of Re. 1/- per share. Each holder of Equity Share is entitled to one vote per share.   |                      |                    |                      |                    |
| 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) | <b>Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b>   |                      |                    |                      |                    |
|     | Particulars   | As at March 31, 2017 |                    | As at March 31, 2016 |                    |
|     | No. of shares at the beginning of the year  |                      | 80,747,600         |                      | 80,747,600         |
|     | <b>Less: Reduction of Shares during the year</b>  |                      |                    |                      |                    |
|     | Share Capital Reduction   | -                    | -                  | -                    | -                  |
|     | <b>No. of Shares after Capital Reduction</b>  |                      | <b>80,747,600</b>  |                      | <b>80,747,600</b>  |
|     | <b>Add: Issue of Shares during the year</b>   |                      |                    |                      |                    |
|     | Subscriber to the Memorandum  | -                    |                    | -                    |                    |
|     | Private Placement   | -                    |                    | -                    |                    |
|     |   |                      | -                  |                      | -                  |
|     | <b>No. of shares at the end of the year</b>   |                      | <b>80,747,600</b>  |                      | <b>80,747,600</b>  |
| (d) | <b>Details of shareholders holding more than 5% shares in the company</b>   |                      |                    |                      |                    |
|     | Particulars   | As at March 31, 2017 |                    | As at March 31, 2016 |                    |
|     |   | No of shares         | % of shares        | No of shares         | % of shares        |
|     | Narayani Pratisthan Pvt Ltd   | 4,255,000            | 5%                 | 4,255,000            | 5%                 |
|     | Minimum Shares and Securities Pvt Ltd   | 4,083,522            | 5%                 | 4,083,522            | 5%                 |
| (e) | <b>Detailed note on shares reserved to be issued under options and contracts / commitment for the sale of shares / divestments including the terms and conditions.</b>  |                      |                    |                      |                    |
|     | The company does not have any such contract / commitment as on reporting date.  |                      |                    |                      |                    |
| (f) | <b>Detailed terms of any securities convertible into shares, e.g. in the case of convertible warrants, debentures, bonds etc.</b>   |                      |                    |                      |                    |
|     | The company does not have any securities convertible into shares as on reporting date.  |                      |                    |                      |                    |

# FIRST FINANCIAL SERVICES LIMITED

## Note 3 - Reserves & Surplus

|       | Particulars                                     | As at March 31, 2017 |                   | As at March 31, 2016 |                   |
|-------|---|----------------------|-------------------|----------------------|-------------------|
| (i)   | <b>Securities Premium</b>                       |                      |                   |                      |                   |
|       | As per last Balance Sheet                       | 77,000,000           |                   | 77,000,000           |                   |
|       | Add: On Shares issued during the year           | -                    | 77,000,000        | -                    | 77,000,000        |
| (ii)  | <b>General Reserve</b>                          |                      |                   |                      |                   |
|       | 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) | <b>Capital Reserve</b>                          |                      |                   |                      |                   |
|       | As per last Balance Sheet                       | 4,840,000            |                   | 4,840,000            |                   |
|       | Add: Transferred from Profit and Loss Account   | -                    |                   | -                    |                   |
|       | Less: Transferred to Profit and Loss Account    | -                    |                   | -                    |                   |
|       |   |                      | 4,840,000         |                      | 4,840,000         |
| (iv)  | <b>Surplus in the Profit &amp; Loss Account</b> |                      |                   |                      |                   |
|       | As per last Balance Sheet                       | (59,005)             |                   | 7,482,530            |                   |
|       | Add: Profit / (Loss) for the year               | (1,840,205)          |                   | (7,541,535)          |                   |
|       | Amount available for appropriations             | (1,899,210)          |                   | (59,005)             |                   |
|       | <b>Appropriations:</b>                          |                      |                   |                      |                   |
|       | Add: Transferred from reserves                  | -                    |                   | -                    |                   |
|       | Less: Transferred to General reserve            | -                    |                   | -                    |                   |
|       | Proposed dividend                               | -                    |                   | -                    |                   |
|       | Corporate Dividend Tax                          | -                    |                   | -                    |                   |
|       |   | -                    | (1,899,210)       | -                    | (59,005)          |
|       | <b>TOTAL</b>                                    |                      | <b>81,662,790</b> |                      | <b>83,502,995</b> |

## Note 4 - Deferred Tax Liability

| Particulars               | As at March 31, 2017 |              | As at March 31, 2016 |              |
|---------------------------|----------------------|--------------|----------------------|--------------|
| As per Last Balance Sheet | 3,677                |              | 2,130                |              |
| Addition during the year  | 1,856                |              | 1,547                |              |
|                           |                      | 5,533        |                      | 3,677        |
| <b>TOTAL</b>              |                      | <b>5,533</b> |                      | <b>3,677</b> |

## Note 5 - Short Term Borrowings

| Particulars                   | As at March 31, 2017 |                  | As at March 31, 2016 |                  |
|-------------------------------|----------------------|------------------|----------------------|------------------|
| (a) Loans repayable on demand |                      |                  |                      |                  |
| From banks                    |                      |                  |                      |                  |
| Bank overdraft - Secured      | 1,132,537            |                  | 1,340,833            |                  |
| Less: W/off during the year   | -                    |                  | -                    |                  |
| Unsecured                     | -                    | 1,132,537        | -                    | 1,340,833        |
|                               |                      | <b>1,132,537</b> |                      | <b>1,340,833</b> |

Bank Overdraft from Axis Bank is secured by Hypothecation of the Fixed Deposits with the same Bank amounting to Rs 18,01,709/-.

## FIRST FINANCIAL SERVICES LIMITED

### Note 6 - Trade Payables

| Particulars  | As at March 31, 2017 |                | As at March 31, 2016 |                   |
|--|----------------------|----------------|----------------------|-------------------|
| Current payables (including acceptances) outstanding for less than 12 months |                      | 455,601        |                      | 10,840,287        |
|  |                      | <b>455,601</b> |                      | <b>10,840,287</b> |

### Note 7 - Other Current Liabilities

| Particulars         | As at March 31, 2017 |                | As at March 31, 2016 |                |
|---------------------|----------------------|----------------|----------------------|----------------|
| Salaries Payable    |                      | 65,000         |                      | 25,000         |
| Rent Payable        |                      | 180,000        |                      | 180,000        |
| Audit Fee Payable   |                      | 31,500         |                      | 31,350         |
| Expenses Payable    |                      | 85,021         |                      | 41,114         |
| TDS Payable         |                      | 70,012         |                      | 251,374        |
| Service Tax Payable |                      | 6,000          |                      | -              |
| <b>TOTAL</b>        |                      | <b>437,533</b> |                      | <b>528,838</b> |

### Note 9 - Long Term Loans & Advances

| Particulars                              | As at March 31, 2017 |                   | As at March 31, 2016 |                   |
|--|----------------------|-------------------|----------------------|-------------------|
| <b>(i) Loans &amp; advances</b>          |                      |                   |                      |                   |
| Unsecured, considered good               | 54,628,261           |                   | 61,078,940           |                   |
| <b>(ii) Advance Income Tax &amp; TDS</b> | 780,517              | 55,408,778        | 789,321              | 61,868,261        |
| <b>TOTAL</b>                             |                      | <b>55,408,778</b> |                      | <b>61,868,261</b> |

### Note 11 - Cash & Cash equivalents

| Particulars                        | As at March 31, 2017 |                  | As at March 31, 2016 |                  |
|------------------------------------|----------------------|------------------|----------------------|------------------|
| <b>Cash &amp; Cash Equivalents</b> |                      |                  |                      |                  |
| (i) Balances with Banks :          |                      |                  |                      |                  |
| - Current Accounts                 | 17,891               |                  | 34,987               |                  |
| - Deposit Accounts                 | 1,801,709            |                  | 1,801,709            |                  |
| (ii) Cash-in-hand                  | 147,370              |                  | 189,258              |                  |
| (iii) Cheques & Drafts in-hand     | -                    |                  | -                    |                  |
|                                    |                      | <b>1,966,970</b> |                      | <b>2,025,955</b> |
| <b>TOTAL</b>                       |                      | <b>1,966,970</b> |                      | <b>2,025,955</b> |

### Note 12 - Short Term Loans & Advances

| Particulars                     | As at March 31, 2017 |         | As at March 31, 2016 |        |
|---------------------------------|----------------------|---------|----------------------|--------|
| <b>(a)</b>                      |                      |         |                      |        |
| <b>(i) Security deposits</b>    |                      |         |                      |        |
| Secured, considered good        | -                    |         | -                    |        |
| Unsecured, considered good      | 125,000              |         | 75,000               |        |
| Doubtful                        | -                    |         | -                    |        |
|                                 |                      | 125,000 |                      | 75,000 |
| <b>(ii) Loan &amp; Advances</b> |                      |         |                      |        |
| Secured, considered good        | -                    |         | -                    |        |
| Unsecured, considered good      | 2,158,000            |         | 7,000                |        |

# FIRST FINANCIAL SERVICES LIMITED

|  | Particulars  | As at March 31, 2017 |                  | As at March 31, 2016 |               |
|--|--------------|----------------------|------------------|----------------------|---------------|
|  | Doubtful     | -                    |                  | -                    |               |
|  |              |                      | 2,158,000        |                      | 7,000         |
|  | <b>TOTAL</b> |                      | <b>2,283,000</b> |                      | <b>82,000</b> |

## Note 13 - Other Current Assets

| Particulars                                       | As at March 31, 2017 |                | As at March 31, 2016 |               |
|---|----------------------|----------------|----------------------|---------------|
| CENVAT Credit Receivable                          | 119,080              |                | 77,030               |               |
| Miscellaneous Expenditure to the extent not w/off | -                    |                | 235,749              |               |
| Add: During the year                              | -                    |                | -                    |               |
| Less: W/off during the year                       | -                    |                | (235,749)            |               |
| <b>TOTAL</b>                                      |                      | <b>119,080</b> |                      | <b>77,030</b> |

(Amount in INR)

| Particulars                                  | For the period ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|--|--|--|
| <b>Note 14 - Revenue from Operations</b>     |  |  |
| Sales of Shares                              | 12,873,637                             | -                                      |
| <b>TOTAL</b>                                 | <b>12,873,637</b>                      | <b>-</b>                               |
| <b>Note 15 - Other Income</b>                |  |  |
| Interest Income                              | 1,580,030                              | 3,095,386                              |
| Interest on Income Tax Refund                | 6,652                                  | -                                      |
| Dividend Income                              | 531,919                                | 340,393                                |
| Sundry bal w/off                             | 3,039                                  | -                                      |
| <b>TOTAL</b>                                 | <b>2,121,640</b>                       | <b>3,435,779</b>                       |
| <b>Note 16 - Purchase</b>                    |  |  |
| Purchase of Shares                           | 2,300,000                              | -                                      |
| <b>TOTAL</b>                                 | <b>2,300,000</b>                       | <b>-</b>                               |
| <b>Note 17 - Employment Benefit Expenses</b> |  |  |
| Salary                                       | 309,550                                | 717,839                                |
| Staff Welfare Expenses                       | 85,445                                 | 53,893                                 |
| Director Remuneration                        | 334,000                                | 314,361                                |
| <b>TOTAL</b>                                 | <b>728,995</b>                         | <b>1,086,093</b>                       |
| <b>Note 18 - Finance Cost</b>                |  |  |
| Interest Expenses                            | 71,286                                 | 2,518,442                              |
| Delayed Payment Charges                      | 2,051,681                              | -                                      |
| <b>TOTAL</b>                                 | <b>2,122,967</b>                       | <b>2,518,442</b>                       |
| <b>Note 19 - Operating Expenses</b>          |  |  |
| Advertisement Expenses                       | 34,545                                 | 77,020                                 |

## FIRST FINANCIAL SERVICES LIMITED

| Particulars  | For the period ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|--|--|--|
| Audit fees   | 35,000                                 | 34,350                                 |
| Bad Debts  | 1,500,000                              | 2,804,767                              |
| Bank Charges   | 19,883                                 | 13,532                                 |
| Commission & Brokerage   | 13,750                                 | -                                      |
| Conveyance Expenses  | 172,770                                | 163,230                                |
| Demat Charges  | 4,460                                  | -                                      |
| Depository Processing Fees   | 103,278                                | -                                      |
| Director sitting fees  | 22,600                                 | 15,000                                 |
| E Voting Charges   | 6,384                                  | -                                      |
| E-Commerce Site Development Expenses                                       | -                                      | 1,309,674                              |
| Electricity Expenses   | 5,020                                  | -                                      |
| Interest on Tds & Service tax  | 3,066                                  | 3,112                                  |
| Legal Expenses   | 295,700                                | -                                      |
| Miscellaneous Expenditure W/off  | -                                      | 235,749                                |
| Office Expenses  | 176,885                                | 245,846                                |
| Postage & Courier  | 80,470                                 | 259,511                                |
| Printing & Stationery  | 35,723                                 | 130,836                                |
| Professional Fees  | 598,647                                | 2,598,621                              |
| Rent paid  | 163,750                                | 200,000                                |
| Share Trading Expenses   | 35,690                                 | -                                      |
| Sundry bal w/off   | -                                      | 1,445,000                              |
| Telephone Expenses   | 77,520                                 | 33,223                                 |
| Travelling Expenses  | 19,805                                 | 41,810                                 |
| Website Expenses   | 29,500                                 | 7,000                                  |
| <b>TOTAL</b>   | <b>3,434,446</b>                       | <b>9,618,281</b>                       |
| <b>Note 20 - Earnings Per Equity Share</b>                                 |  |  |
| (a) Net profit after tax attributable to equity shareholders for Basic EPS | (1,840,205)                            | (7,541,535)                            |
| Add/Less: Adjustment relating to potential equity shares                   | -                                      | -                                      |
| Net profit after tax attributable to equity shareholders for Diluted EPS   | (1,840,205)                            | (7,541,535)                            |
| (b) Weighted average no. of equity shares outstanding during the year      |  |  |
| For Basic EPS  | 80,747,600                             | 80,747,600                             |
| (c) Face Value per Equity Share (Rs.)                                      | 1                                      | 1                                      |
| Basic EPS  | (0.02)                                 | (0.09)                                 |

**FIRST FINANCIAL SERVICES LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Amount in INR)

| Note 8 Fixed assets |                      |                             |           |           |                              |   |  |                   |                              |                              |                              |
|---------------------|----------------------|-----------------------------|-----------|-----------|------------------------------|---|--|-------------------|------------------------------|------------------------------|------------------------------|
| A.                  | Tangible assets      | Gross block                 |           |           |                              | Accumulated depreciation and impairment |  |                   |                              | Net block                    |                              |
|                     |                      | Balance as at 1 April, 2016 | Additions | Disposals | Balance as at 31 March, 2017 | Balance as at 1 April, 2016             | Depreciation / amortisation expense for the period | Other adjustments | Balance as at 31 March, 2017 | Balance as at 31 March, 2017 | Balance as at 31 March, 2016 |
|                     |                      | (Rs)                        | (Rs)      | (Rs)      | (Rs)                         | (Rs)                                    | (Rs)   | (Rs)              | (Rs)                         | (Rs)                         | (Rs)                         |
|                     | (a) Computer         | 28,200                      | -         | -         | 28,200                       | 10,497                                  | 8,928  | -                 | 19,425                       | 8,775                        | 17,703                       |
|                     | (b) Printer          | 6,500                       | -         | -         | 6,500                        | 1,517                                   | 2,060  | -                 | 3,577                        | 2,923                        | 4,983                        |
|                     | (a) Software         | 18,000                      | -         | -         | 18,000                       | 1,865                                   | 2,848  | -                 | 4,713                        | 13,287                       | 16,135                       |
|                     | <b>Total</b>         | 52,700                      | -         | -         | 52,700                       | 13,879                                  | 13,836   | -                 | 27,715                       | 24,985                       | 38,821                       |
|                     | <b>Previous year</b> | 28,200                      | 24,500    | -         | 52,700                       | 1,566                                   | 12,313   | -                 | 13,879                       | 38,821                       | 26,634                       |

(Amount in INR)

**NOTE 10 INVENTORY**

**DETAILS OF STOCK-IN-TRADE**

(At Cost or Market Rate whichever is lower)

| Particulars             | As at 31.03.2017 |         | As at 31.03.2016 |         |            |
|-------------------------|------------------|---------|------------------|---------|------------|
|                         | Qty              | Amount  | Qty              | Amount  |            |
|                         | Nos.             | (in Rs) | Nos.             | (in Rs) |            |
| <b>Quoted Shares</b>    |                  |         |                  |         |            |
| Arihant Super           |                  | 369,675 | 15,408,054       | 369,675 | 15,409,155 |
| Delta corpn             |                  | -       | -                | 8,000   | 528,800    |
| DPTL                    |                  | -       | -                | 5,000   | 375,750    |
| Dhunseri Tea India      |                  | -       | -                | 1,000   | -          |
| Finan Tech              |                  | -       | -                | 573     | 44,465     |
| HCIL                    |                  | -       | -                | 27,304  | 429,219    |
| Kajariacer              |                  | -       | -                | 2,300   | 1,391,195  |
| Korpon Ltd              |                  | -       | -                | 5,000   | 245,000    |
| MTNL                    |                  | 150,000 | 3,600,000        | 150,000 | 2,655,000  |
| Nirlon                  |                  | -       | -                | 2,500   | 462,250    |
| Pennar Ind Ltd          |                  | -       | -                | 10,000  | 473,000    |
| Poly Plex               |                  | -       | -                | 5,000   | 1,037,000  |
| Prism Cement            |                  | -       | -                | 3,000   | 228,739    |
| RPP Infra Projects Ltd. |                  | 175,000 | 13,748,000       | 175,000 | 13,748,478 |
| TIL                     |                  | -       | -                | 1,500   | 511,050    |
| Vardhman Textiles       |                  | -       | -                | 2,000   | 979,717    |

## FIRST FINANCIAL SERVICES LIMITED

| Particulars                          | As at 31.03.2017 |                    | As at 31.03.2016 |                    |
|--------------------------------------|------------------|--------------------|------------------|--------------------|
|                                      | Qty              | Amount             | Qty              | Amount             |
|                                      | Nos.             | (in Rs)            | Nos.             | (in Rs)            |
| Vikas Global                         | 745,000          | 4,924,450          | 745,000          | 4,924,059          |
| Walchand Ind                         | -                | -                  | 2,000            | 266,262            |
| Ravi Kumar Distilleries Ltd.         | 785,301          | 9,617,338          | 785,301          | 9,617,345          |
| Luharuka Media & Infra Ltd.          | 1,461,659        | 41,749,439         | 1,619,371        | 46,254,180         |
| <b>Total [A]</b>                     | <b>3,686,635</b> | <b>89,047,281</b>  | <b>3,919,524</b> | <b>99,580,663</b>  |
| <b>Unquoted Shares</b>               |                  |                    |                  |                    |
| JMD Sounds Ltd                       | 4,500            | 2,300,000          | -                | -                  |
| Marsh Steel trading Pvt. Ltd.        | 40,000           | 10,000,000         | 40,000           | 10,000,000         |
| Righteous Global Logistics Pvt. Ltd. | 10,000           | 1,000,000          | 10,000           | 1,000,000          |
| Vinmay Virgo Private Limited         | 6,915            | 691,500            | 6,915            | 691,500            |
| Vision Steel Ltd                     | 6,400            | 1,600,000          | 6,400            | 1,600,000          |
| <b>Total [B]</b>                     | <b>67,815</b>    | <b>15,591,500</b>  | <b>63,315</b>    | <b>13,291,500</b>  |
| <b>TOTAL [A+B]</b>                   | <b>3,754,450</b> | <b>104,638,781</b> | <b>3,982,839</b> | <b>112,872,163</b> |

**Note : Refer point no. 5 "Inventories" of Note no. 1 of Notes to Accounts**

21. Contingent liabilities & Commitments:

| Particulars  | 2016-2017 (Rs.) | 2015-2016 (Rs.) |
|--|-----------------|-----------------|
| i) Claims against the Company / Disputed Liabilities, not acknowledged as Debt | -               | -               |
| ii) Disputed Duties / Tax Demands (as appearing on the Income Tax Portal)      | -               | -               |

22. Foreign Currency Transactions:

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

23. Balances of the Sundry Debtors, Loans and Advances and Sundry Creditors are subject to confirmation and resultant reconciliation, if any.

24. There are no dues to Micro and Small Enterprises as at 31<sup>st</sup> March, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

27. In accordance with Accounting standard 'AS -18' relating to Related Party Disclosures, information pertinent to related party transaction is given as under:-

Parties where control exists: Nil

Parties with whom transaction have taken place during the year.

A. Name of the related parties & description of relationship

- a) Key Managerial Personnel : Mr. Nirmal Singh Mertia  
Mrs. Chandrika Girish Panchal  
Mr. Girish Kumar Panchal

B. Transactions during the year with related parties:-

| Sr. No. | Particulars  | Key Managerial Personnel | Relatives of Key Managerial Personnel | Group Company |
|---------|--------------|--------------------------|---------------------------------------|---------------|
| 1       | Remuneration | 3,34,000<br>(3,14,361)   | -<br>-                                | -<br>-        |

*\*Figure in bracket relates to previous year.*



## FIRST FINANCIAL SERVICES LIMITED

28. In accordance with Accounting standard AS -22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognized a net deferred tax liability of Rs. 5,533/- as on 31<sup>ST</sup> March, 2017. (Previous Year Rs. 3,677/-).

| A | LIABILITY  | Current Year | Previous Year |
|---|--|--------------|---------------|
|   | WDV as per companies Act: Rs. 24,985<br>WDV as per Income Tax Act: Rs. 7,078 | 5,533        | 3,677         |
| B | ASSETS   | Nil          | Nil           |
|   | <b>Net Deferred Tax Liability (A-B)</b>                                      | <b>5,533</b> | <b>3,677</b>  |

29. Auditors Remuneration (excluding Service Tax) includes:

| Particulars                              | For the year ended 31 <sup>ST</sup> March |               |
|--|---|---------------|
|  | 2017                                      | 2016          |
| Audit Fees (Statutory and tax audit fee) | 35,000                                    | 35,000        |
| In other Capacity (for other services)   | -   | -             |
| <b>Total</b>                             | <b>35,000</b>                             | <b>35,000</b> |

30. The Company has deposited cash of Rs. 6,12,000 in the Axis Bank account. Details are as under:

| Particulars                  | Count of Notes | Amount (Rs.)    |
|------------------------------|----------------|-----------------|
| Rs. 1,000 denomination notes | 212            | 2,12,000        |
| Rs. 500 denomination notes   | 800            | 4,00,000        |
| <b>Total</b>                 |                | <b>6,12,000</b> |

31. Segment Reporting

In the opinion of the Management, the Company is operating in a single segment only as per the provisions of the accounting standard AS-17, issued by the Institute of Chartered Accountants Of India.

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

As per our report of even date

For **S A R A & Associates**  
Chartered Accountants  
Firm Reg. No. 120927W

**Sd/-**  
**Ramawatar Sharma**  
Partner  
M. No. 102644  
Place: Mumbai,  
Date: 29<sup>th</sup> May, 2017

for **First Financial Services Limited**

**Sd/-**  
**Nirmal Singh Mertia**  
**Whole time Director**  
DIN: 03584434

**Sd/-**  
**Girish Kumar Panchal**  
Director  
DIN: 07227360

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# FIRST FINANCIAL SERVICES LIMITED

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## FIRST FINANCIAL SERVICES LIMITED

CIN: L85100TN1984PLC011231

**Regd Office:** 2<sup>nd</sup> Floor, Old no.24 new no. 45, Venkata Maistry Street, Mannady, Chennai - 600 001.

**Corporate office:** 205, 2<sup>nd</sup> Floor, Kothari Mall, S.V. Road, Malad(West), Mumbai – 400064.

**Contact no.** 9176898788 **Email:** firstfinancialserviceslimited@gmail.com **Website:** [www.ffsionline.com](http://www.ffsionline.com)

## ATTENDANCE SLIP

### 32<sup>ND</sup> ANNUAL GENERAL MEETING

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the 32<sup>nd</sup> Annual General Meeting of the Company held on Friday, 29<sup>th</sup> September, 2017 at 10.00 A.M. at ICSA Programme Centre, 107, Pantheon Road, Egmore, Chennai - 600008.

Full Name of the Member (IN BLOCK LETTERS) \_\_\_\_\_

DP ID: \_\_\_\_\_ Client ID: \_\_\_\_\_ Folio no: \_\_\_\_\_ No of shares held:- \_\_\_\_\_

Full Name of Proxy (in BLOCK LETTERS) \_\_\_\_\_

Member's Proxy Signature \_\_\_\_\_

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

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## PROXY FORM

### 32<sup>ND</sup> ANNUAL GENERAL MEETING

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the member: \_\_\_\_\_

Registered Office: \_\_\_\_\_

Email: \_\_\_\_\_

DP ID: \_\_\_\_\_ Client ID: \_\_\_\_\_ Folio no. \_\_\_\_\_ No. of shares held. \_\_\_\_\_

I/We being member(s) of \_\_\_\_\_ Shares of First Financial Services Limited, hereby Appoint

1. Name: \_\_\_\_\_

Email ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Or falling him

## FIRST FINANCIAL SERVICES LIMITED

2. Name: \_\_\_\_\_

Email ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

As my/our proxy to vote for me /us on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Friday, 29th September, 2017 at 10.00 a.m. at ICSA Programme Centre, 107, Pantheon Road, Egmore, Chennai – 600008 or at any adjournment thereof in respect of such resolution as are indicated below:

| Resolution no. | Resolution  |     |         |
|----------------|---|-----|---------|
|                |   | For | Against |
|                | <b>Ordinary Business</b>  |     |         |
| <b>1</b>       | To consider, approve and adopt the Audited Balance Sheet as at 31st March, 2017, the Profit and Loss Account of the Company for the year ended on that date and the reports of the Directors and auditors thereon |     |         |
| <b>2</b>       | To Ratify the Appointment of M/s. S A R A & Associates, Chartered Accountants as Statutory Auditors of the Company.   |     |         |
|                | <b>Special Business</b>   |     |         |
| <b>3</b>       | To Approve the delivery of documents to shareholders on requisition.  |     |         |

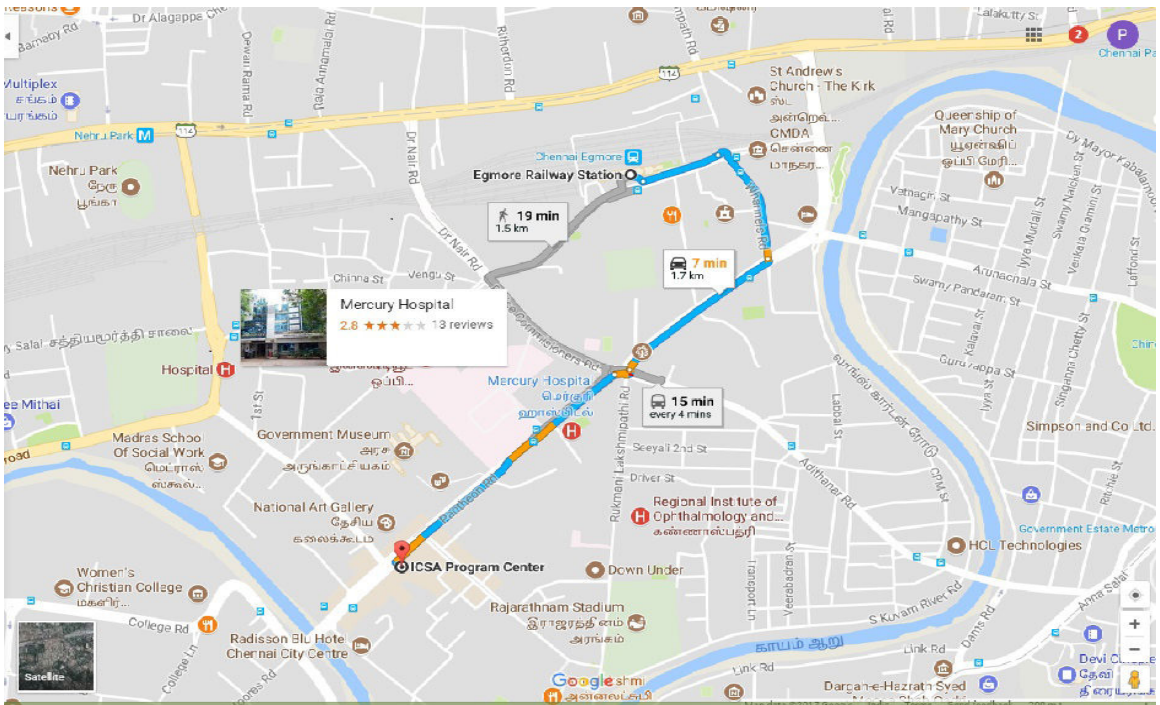
|                                     |                               |
|-------------------------------------|-------------------------------|
| Signed this _____ day of _____ 2017 | Affix 1/-<br>Revenue<br>Stamp |
| Signature of member: _____          |                               |
| Signature of Proxy holder(s) _____  |                               |

**Notes:**

1. This proxy form in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the resolutions, Explanatory Statement and Notes, please refer to the notice of Annual General Meeting.
3. It is optional to put "X" in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entered to vote in the manner as he/ she think appropriate.
4. Those Members who have multiple folios with different joint holders may use copies of this attendance slip/ proxy.

FIRST FINANCIAL SERVICES LTD.  
ICSA PROGRAMME CENTRE,  
107, PANTHEON ROAD,  
EGMORE, CHENNAI - 600008

ROUTE MAP FOR VENUE OF 32<sup>nd</sup> AGM



# **COURIER / REGISTERED POST**

If undelivered, please return to:

**FIRST FINANCIAL SERVICES LTD**

205, 2nd Floor, Kothari Mall,  
S.V. Road, Malad (west),  
Mumbai – 400064.