

Annual Report
2010 - 2011



FIRST FINANCIAL SERVICES LIMITED

First Financial Services Ltd.

BOARD OF DIRECTORS

| | | |
|------------------------------|---|--------------------|
| Mr Natarajan P | : | Director |
| Mr S Krishna Rao | : | Director |
| Mr S G F Melkha Singh | : | Director |
| Mr Sambasivan Swaminathan | : | Director |
| Mr Sundaram Sankaranarayanan | : | Director |
| Mr Nirmal Singh Mertia | : | Executive Director |

AUDITORS:

M/s. Shabbir & Associates

Chartered Accountants,
Broad Way,
Chennai - 600108

Company CIN : L74210TN1984PLC011231

REGISTRAR AND SHARE TRANSFER AGENT:

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai -400 072.
Tel : 91-22-40430200
Fax :91-22-28475207
Website : www.bigshareonline.com

BANKERS:

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

REGISTERED OFFICE:

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

COMPLIANCE OFFICER:

Mr S Krishna Rao

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

First Financial Services Ltd.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of First Financial Services Limited will be held on Friday, 30th September 2011 at 4.00 P.M. at 2 C, Ram Mansion, 367 Pantheon Road, Egmore, Chennai 600 008 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the year ended 31st March 2011 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S Krishna Rao, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. S G F Melkha Singh, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditors and fix their remuneration.

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

“RESOLVED THAT M/s. Shabbir & Associates, Chartered Accountants be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and that the Board of Directors be and is hereby authorized to fix their remuneration.”

SPECIAL BUSINESS:

5. Appointment of Mr Sambasivan Swaminathan, as a Director of the Company and to consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

“RESOLVED THAT Mr Sambasivan Swaminthan, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 31st August 2010 as per the provisions of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and who holds Office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing, proposing his candidature for the office of Director, under Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

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

6. Appointment of Mr Sundaram Sankaranarayanan, as a Director of the Company and to consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

“RESOLVED THAT Mr Sundaram Sankaranarayanan, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 10th September, 2010 as per the provisions of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and who holds Office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing, proposing his candidature for the office of Director, under Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

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

7. Appointment of Mr. Nirmal Singh Mertia, as Director of the Company and to consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

“RESOLVED THAT Mr. Nirmal Singh Mertia, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 26th July 2011 as per the provisions of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and who holds Office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing, proposing his candidature for the office of Director, under Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director, be and is hereby appointed as Director of the Company not liable to retire by rotation.”

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

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

Sd/-
S Krishna Rao
Director

Place : Chennai
Date : 03-09-2011

NOTES

1. The Register of Members will be closed from the 26th September 2011 to 30th September, 2011 (both days inclusive), for the purpose of Annual General Meeting.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on his behalf. A Proxy need not be a Member of the Company.

First Financial Services Ltd.

Proxy forms in order to be effective must be received at Registered Office of the Company situated at 2 C Ram Mansion, 367 Pantheon Road, Egmore, Chennai 600 008, 48 hours before this Annual General Meeting.

3. Members are requested to bring their copy of the Annual Report to the Meeting.
4. The Members are requested to intimate the Company regarding any change of their address immediately to the Registered Office quoting their Folio Number.
5. Explanatory statement is enclosed as required to be annexed to the Notice pursuant to the requirements of the Section 173 (2) of the Companies Act, 1956.

6. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays between 11.00 a.m. to 1.00 p.m. up to the date of AGM.
7. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to the Proxy Form and hand over the Slip at the entrance to the place of the Meeting.
8. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.

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

ITEM NO. 5.

Mr. Sambasivan Swaminathan, who was appointed as an additional Director w.e.f. 31st August, 2010 under Section 260 of the Companies Act, 1956, to hold office up to the date of the Annual General Meeting. The Company has received a notice in writing from member proposing the candidature of Mr. Sambasivan Swaminathan for the office of the Director under section 257 of the Companies Act, 1956.

| | | |
|---|---|-----------------------------------|
| 1 | Name of the director | Mr. Sambasivan Swaminathan |
| 2 | Age | 62 Years |
| 3 | Qualification | B.E, PG Diploma in IIM, Ahmedabad |
| 4 | Experience | 36 Years |
| 5 | Number of directorship in other companies | Nil |

Mr. Sambasivan Swaminathan is not having any shareholding in the Company.

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

None of the Directors are concerned or interested in the said Resolution except Mr. Sambasivan Swaminathan.

ITEM NO. 6.

Mr Sundaram Sankaranarayanan, who was appointed as an additional Director w.e.f. 10th September 2010 under Section 260 of the Companies Act, 1956, to hold office up to the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of Mr. Sundaram Sankaranarayanan for the office of the Director under section 257 of the Companies Act, 1956.

| | | |
|---|---|------------------------------|
| 1 | Name of the director | Mr Sundaram Sankaranarayanan |
| 2 | Age | 54 Years |
| 3 | Qualification | B.Sc, MBA |
| 4 | Experience | 33 Years |
| 5 | Number of directorship in other companies | Nil |

Mr. Sundaram Sankaranarayanan is not having any shareholding in the Company.

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

None of the Directors are concerned or interested in the said Resolution except Mr Sundaram Sankaranarayanan.

ITEM NO. 7.

Mr. Nirmal Singh Mertia, who was appointed as an additional Director w.e.f. 26th July 2011 under Section 260 of the Companies Act, 1956, to hold office up to the date of the Annual General Meeting. The Company has received a notice in writing from member proposing the candidature of Mr. Nirmal Singh Mertia for the office of the Director under Section 257 of the Companies Act, 1956.

| | | |
|---|---|------------------------|
| 1 | Name of the director | Mr Nirmal Singh Mertia |
| 2 | Age | 54 Years |
| 3 | Qualification | M.Com |
| 4 | Experience | 20 Years |
| 5 | Number of directorship in other companies | Nil |

Mr Nirmal Singh Mertia is not having any shareholding in the Company.

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

None of the Directors are concerned or interested in the said Resolution except Mr Nirmal Singh Mertia.

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

Sd/-
S Krishna Rao
Director

Place : Chennai
Date : 03-09-2011

First Financial Services Ltd.

DIRECTORS' REPORT

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

Your Directors have great pleasure in presenting 26th ANNUAL REPORT along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31st March, 2011.

1. FINANCIAL RESULTS:

(Rs. In Lacs)

| PARTICULARS | Year Ended 31st March 2011 | Year Ended 31st March 2010 |
|---------------------------------------|-------------------------------|-------------------------------|
| Income from Operations | 133.37 | 0.56 |
| Depreciation | Nil | Nil |
| Profit/(Loss) before Taxation | 85.85 | 0.43 |
| Provision for Taxation | Nil | Nil |
| Deferred Tax Liabilities | Nil | Nil |
| Brought Forward From Previous Year | (411.17) | (411.60) |
| Appropriations | | |
| Profit after Tax | 85.85 | 0.43 |
| Amount available for Appropriation | (325.31) | (411.17) |

2. OPERATIONS:

During the year the performance of the Company was satisfactory in comparison to previous year as net profit before tax has increased to Rs. 85.85 Lakhs from Rs. 0.43 Lakhs.

3. DIVIDEND:

In order to conserve the resources of the Company the Board of Directors have decided to deploy all the profit at the financial year to the business of the Company. Hence they are unable to pay the dividend.

4. DIRECTORS:

During the year Mr. S Krishna Rao, Director and Mr. S G F Melkha Singh, Director of the company are retiring by rotation & being eligible offers themselves for reappointment.

Mr. Sambasivan Swaminathan, Mr. Sundaram Sankaranarayanan and Mr. Nirmal Singh Mertia were appointed as additional directors and Mr. Nirmal Singh Mertia was also appointed as an Executive director of the Company during the period and all of them are highly educated professional personnel. The Company expects to perform better with their experience in future.

Mr. Ashok Bothra has resigned as a director of the company with effect from 26th July, 2011.

DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors hereby confirms:

- That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2010-2011 and of the Profit or Loss of the Company for the period.
- That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. That the Directors have prepared the Annual accounts on a going concern basis.

5. AUDITORS:

M/s. Shabbir & Associates., Chartered Accountants, will hold office until the conclusion of the forthcoming Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

6. SUBSIDIARIES:

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

7. CORPORATE GOVERNANCE CODE:

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

8. PARTICULARS OF EMPLOYEES:

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

9. CONSERVATION OF ENERGY:

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

10. TECHNOLOGY ABSORPTION:

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

11. INCREASE IN AUTHORISED CAPITAL :

Your Company has already intimated and taken the approval from you regarding the increase in Authorised capital of the Company from Rs. 1 Crore to Rs. 16 Crores through the Extra Ordinary General Meeting held on 25th August, 2011.

12. PREFERENTIAL ISSUE :

Your Company has already intimated you regarding the issue of 1,09,00,000 Equity Shares through the preferential issue and your Company now in the process of getting In-principle approval from the Stock Exchange.

13. CAPITAL REDUCTION:

The Hon'ble High Court of Madras had approved the Reduction of Share Capital and the same is registered with the Registrar of Companies, Tamil Nadu on 4th May, 2011.

Now the Paid-up Share Capital of the Company is reduced and stand at Rs.37,47,600 comprising of 3,74,760 Equity Shares fully paid up face value of Rs.10/- each.

14. APPRECIATION:

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

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

Sd/-
S Krishna Rao
Director

Place : Chennai
Date : 03-9-2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

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

B) PERFORMANCE:

During the fiscal 2011, the Income from Operations of the Company stood at Rs. 133.37 Lacs as compared to previous fiscal of Rs. 0.56 Lacs.

Your Company has made a net profit after tax of Rs. 85.85 Lacs during the year as against a net profit of Rs. 0.43 Lacs made during the previous year.

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 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 the in house internal audit and also by independent Chartered Accountants

firm of "Internal Auditors". The internal audit reports along with management comments thereon are review by the Audit Committee of the Board comprising of independent and non-executive Directors, on a regular basis. Implementations of the suggestions are also monitored by the Audit Committee. The internal control is designed to ensure that the financial and other records of the Company are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

E) HUMAN RESOURCES POLICIES:

At present the Directors of the Company were taking care of the operations. However, the Company has plans to appoint more staff now to improve the business.

F) CAUTIONARY STATEMENT:

The statements in report of the Board of Directors and the Management Discussion & Analysis Report describing the Company's outlook, estimates or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company takes no responsibility for keeping the members updated on changes in these factors except as may be statutorily required from time to time.

CORPORATE GOVERNANCE REPORT

1) COMPANY'S PHILOSOPHY:

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

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

2) BOARD OF DIRECTORS:

a) Composition and category of Directors as on 31.03.2011 :

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

| | | |
|-------------------------------|---|--------------------------------------|
| Mr. P Natrajan | - | Director & Promoter |
| Mr. S Krishna Rao | - | Non-Executive & Independent Director |
| Mr. Sundaram Sankaranarayanan | - | Non-Executive & Independent Director |
| Mr. G F Melkhasingh | - | Non-Executive & Independent Director |
| Mr. Sambasivan Swaminathan | - | Non-Executive & Independent Director |
| Mr. Ashok Bothra | - | Non-Executive & Independent Director |

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

During the year there were in total Ten Board Meetings were held i.e. on 29-04-2010, 04-06-2010, 05-06-2010, 07-06-2010, 20-08-2010, 31-08-2010, 10-09-2010, 23-09-2010, 28-10-2010 and 24-01-2011. The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

| Sr. No. | Name of Director | Category | No of Meetings Attended | Attendance at Last AGM | No. of other Directorships | No. of other Committee membership In other Companies |
|---------|-------------------------------|---------------------|-------------------------|------------------------|----------------------------|--|
| 1. | Mr. P Natarajan | Director | 10 | YES | 2 | Nil |
| 2. | Mr. S Krishna Rao | Director | 8 | YES | 4 | Nil |
| 3. | Mr. S G F Melkha Singh | Director | 8 | YES | 2 | Nil |
| 4. | Mr. Sambasivan Swaminathan | Additional Director | 5 | No | 0 | Nil |
| 5. | Mr. Sundaram Sankaranarayanan | Additional Director | 4 | No. | 0 | Nil |
| 6. | Mr. Ashok Bothra | Additional Director | 0 | No. | 0 | Nil |

3) AUDIT COMMITTEE:

The company has constituted the Audit Committee on 23-09-2010 with the following Members:-

1. Mr Sambasivan Swaminathan
2. Mr Sundaram Sankaranarayanan
3. Mr S Krishna Rao

4) REMUNERATION COMMITTEE:

The Company has constituted the Remuneration Committee on 23-09-2010 with the following Members:-

1. Mr Sundaram Sankaranarayanan
2. Mr P Natarajan
3. Mr S Krishna Rao

First Financial Services Ltd.

5) SHAREHOLDERS GRIEVANCES / INVESTOR'S SERVICE COMMITTEE:

The Company has constituted the Remuneration Committee on 23-09-2010 with the following Members:-

1. Mr S Krishna Rao
2. Mr P Natarajan
3. Mr S G F Melkha Singh

During the year, the Share Transfer and Investor's Service Committee met 3 times on 10-01-2011, 28-03-2011 and 5-04-2011.

6) REMUNERATION OF DIRECTORS:

None of the Directors are paid any remuneration.

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

Details of last three Annual General Meetings are given below:

| Financial Year | Date | Time | Venue |
|----------------|------------|------------|--|
| 2007-2008 | 28.02.2009 | 04.00 P.M. | 1, 2 & 3 Kasiarcade, 116, Thiyagaraya Road, T.Nagar, Chennai-600017. |
| 2008-2009 | 27.02.2010 | 03.00 P.M. | New No.26, Old No. 20, Ramakrihna Street, Off North Usma Road, T.Nagar, Chennai 600 017. |
| 2009-2010 | 05.07.2010 | 03.00 P.M. | 2C, Ram Mansion, 367 Pantheon Road, Egmore, Chennai 600 008. |

There was no other General Body Meeting in the last Three Years.

8) REDUCTION OF SHARE CAPITAL:

Pursuant to Section 100 to 104 and other applicable provisions, if any of the Companies Act, 1956, and with the approval of the Bombay Stock Exchange (BSE) under Section 24 (f) of the Listing Agreement and with the confirmation / approval of the High Court of Madras, the Paid up Capital of the Company was reduced from Rs.3,74,76,000 divided into 37,47,600 equity shares of Rs.10/- each fully Paid up to Rs.37,47,600 divided in to 3,74,760 equity shares of Rs.10/- each and that reduction of Rs. 3,37,28,400 was proposed to be effected by cancelling equity shares in Share Paid up Capital to the extent of 9 Equity shares for every 10 equity shares held which has been lost is unrepresented by available assets of Rs.14,46,363 as per the Audited accounts as on 31st March, 2010.

Postal ballot was made and the results were declared on 20-08-2010 wherein 61% of the shareholders approved the Reduction of Share capital.

On 19th April, 2011, The Hon'ble High Court of Madras had approved the Reduction of Share Capital and the same is registered with the Registrar of Companies, Tamil Nadu on 4th May, 2011.

Now the Paid-up Share Capital of the Company is reduced and stands at Rs. 37,47,600 comprising of 3,74,760 Equity Shares fully paid up face value of Rs.10/- each.

9) DISCLOSURES:

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

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

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

10) MEANS OF COMMUNICATION:

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

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

First Financial Services Ltd.

11) MANAGEMENT DISCUSSION AND ANALYSIS:

The Directors Report includes management Discussions and analysis.

12) GENERAL SHAREHOLDERS INFORMATION:

The 26th Annual General Meeting is scheduled to be held on Friday the 30th September, 2011 at 4.00 p.m. at its registered office, 2 C, Ram Mansion, 367 Pantheon Road, Egmore, Chennai 600 008.

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

The financial calendar is as per following:-

Results for the quarter ending on 30th June, 2011: Second week of August, 2011.

Results for the quarter ending on 30th September, 2011: Second week of November, 2011.

Results for the quarter ending on 31st December, 2011: Second week of February, 2012.

Results for the quarter ending on 31st March 2012: Last week of May, 2012.

Book Closure dates are from 26th September, 2011 to 30th September 2011 (both days inclusive).

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

The Company's shares are listed at the Bombay Stock Exchange, Mumbai and the Annual listing fees as prescribed by the Bombay Stock Exchange where shares of the Company are listed and paid upto 31st March 2012.

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

Stock Market data from April 2010 to March 2011:

No transaction has taken place in the shares of the Company at the Bombay Stock Exchange.

DISTRIBUTION OF SHAREHOLDINGS AS ON 31st March, 2011

| Shares or Debentures Holding of nominal value of | | Shares / Debenture Holders | | Share / Debenture amount | |
|--|----------|----------------------------|---------------|--------------------------|---------------|
| Rs. | Rs. | Number | % total | (In Rs.) | % of total |
| Upto | - 5000 | 5173 | 94.41 | 7926000 | 21.15 |
| 5001 | - 10000 | 216 | 3.94 | 1803500 | 4.81 |
| 10001 | - 20000 | 57 | 1.04 | 837000 | 2.23 |
| 20001 | - 30000 | 10 | 0.18 | 249000 | 0.67 |
| 30001 | - 40000 | 03 | 0.06 | 99000 | 0.26 |
| 40001 | - 50000 | 07 | 0.13 | 329000 | 0.88 |
| 50001 | - 100000 | 02 | 0.04 | 138000 | 0.37 |
| Above | - 100000 | 11 | 0.20 | 26094500 | 69.63 |
| Total | | 5479 | 100.00 | 37476000 | 100.00 |

Registrar and Transfer Agent.

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

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri (East), Mumbai -400 072.

Tel : 91-22-40430200

Fax :91-22-28475207

Website : www.bigshareonline.com

GDRs / ADRs/Warrant etc.:

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

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To

The Members,
FIRST FINANCIAL SERVICES LTD.

We have examined the compliance of conditions of Corporate Governance by First Financial Services Ltd., for the year ended on 31st March, 2011, as stipulated in Clause 49 of listing agreement of the said Company with stock exchanges.

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

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

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

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

For **Shabbir & Associates**
Chartered Accountants

Sd/-

Shabbir Kakosiwala N
Proprietor

Place : Chennai
Date : 06-06-2011

First Financial Services Ltd.

CEO/CFO CERTIFICATION

To

The Board of Directors
FIRST FINANCIAL SERVICES LTD.
Chennai.

Dear Sirs,

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and to the best of our knowledge and belief that:

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

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

We have indicated to the auditors that:

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

For **FIRST FINANCIAL SERVICES LIMITED**

Sd/-
(Director)

Place : Chennai
Date : 06-06-2011

AUDITOR'S REPORT

To

THE MEMBERS OF FIRST FINANCIAL SERVICES LTD

1. We have audited the attached Balance Sheet of FIRST FINANCIAL SERVICES LTD as at 31st March, 2011 and the related Profit & Loss Account and Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books;
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent they are applicable to the Company;
 - e) On the basis of the written representations received from the Directors of the Company as on 31st March, 2011, and taken on record by the Board of Directors of the Company, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - (ii) In the case of Profit and Loss Account, of the Profit of the Company 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.

Date : 06-06-2011
Place : Chennai

For Shabbir & Associates
Chartered Accountants

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

First Financial Services Ltd.

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

1. The Company does not have any fixed assets as it was disposed in earlier year. Hence this clause is not applicable in case of this Company.
2. (a) The Company does not hold any inventories except shares and hence the clause is not applicable.
3. (a) In our opinion and according to the information and explanations given to us, the Company has not taken interest free unsecured loans from promoters covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) (i) As informed, the Company has not granted loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
 - (ii) The rate of interest and other terms and conditions of the loan are *prima facie*, not applicable since any outstanding loans as mentioned under Section 301 of the Companies Act, 1956.
 - (iii) The payment of interest and the repayment of principal does not apply.
 - (iv) There is no amount overdue on the loans.
4. In our opinion and according to the information and explanations given to us, generally there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there were no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Hence clause (b) is not applicable.
6. According to the information and explanations given to us, the Company registration as NBFC has been cancelled, the Company has been directed by RESERVE BANK OF INDIA to coordinate with COMPANY LAW BOARD for fulfilling the requirements and directives of RBI and provisions of Section 58A and 58AA and rules framed there under with regard to deposit accepted from public.
7. The Company ceased to operate on account of cancellation of NBFC registration by RESERVE BANK OF INDIA. With regard to other transactions made during the year, In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed the Company under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the information and explanation provided to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other applicable statutory dues, with the appropriate authority. No undisputed amounts payable were in arrears, as at 31st March, 2011 for a period of more than six months from the date they became payable.
 - (b) In our opinion and according to the information and explanation given to us, there are no dues in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess that have not been deposited on account of any dispute.
10. In our opinion and according to the information and explanation given to us, no undisputed amounts payable in respect, income tax, sales tax, wealth tax, customs duty, excise duty, cess were in arrears, as at 31st March, 2011 for a period of more than six months from the date they became payable.

First Financial Services Ltd.

11. In our opinion, the accumulated losses of the Company are more than fifty percent of its Capital and reserve as at the end of the financial year. The Company has not incurred cash losses in the current financial year covered by the audit.
12. According to the information and explanations provided to us, the Company has written off Rs.18.58 lacs as Income which was due to various Banks.
13. According to the information and explanations provided to us, the Company has not granted advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
15. The Company has been dealing in shares, securities, debenture and other investments for which proper records has been maintained by the Company of the transaction and contracts and timely entries have been made therein. As informed to us shares, securities and debentures are generally held by the Company in its own name.
16. According to the information and explanations provided to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
17. In our opinion and according to the information and explanations provided to us the Company has not raised any term loans during the year.
18. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been utilized for long term investment and vice versa.
19. According to the information and explanations provided to us, the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
20. The Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Order are not applicable to the Company.
21. The Company has not raised any money through public issue during the period covered by our report.
22. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported.

Date: 06-06-2011

Place: Chennai

For Shabbir & Associates

Chartered Accountants

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

First Financial Services Ltd.

BALANCE SHEET AS AT 31.03.2011

| | Schedule No. | As at 31st March, 2011 | As at 31st March, 2010 |
|--|--------------|-----------------------------|-----------------------------|
| I. SOURCES OF FUNDS | | | |
| 1. Shareholder's Funds | | | |
| a. Share Capital | 1 | 37,476,000.00 | 37,476,000.00 |
| b. Reserves & Surplus | 2 | 6,562,000.00 | 6,562,000.00 |
| | | <u>44,038,000.00</u> | <u>44,038,000.00</u> |
| 2. Loan Funds | | | |
| a. Secured Loans | 3 | - | 1,857,518.00 |
| b. Unsecured Loans | 4 | 10,125,107.00 | 1,690,729.00 |
| | | <u>10,125,107.00</u> | <u>3,548,247.00</u> |
| | TOTAL | <u>54,163,107.00</u> | <u>47,586,247.00</u> |
| II. APPLICATION OF FUNDS | | | |
| 3. Fixed Assets | | | |
| Gross Block | | - | - |
| Less : Depreciation | | - | - |
| Less : Lease Equilisation reserve | | - | - |
| | | <u>-</u> | <u>-</u> |
| 4. Current Assets, Loans and Advances | | | |
| a. Sundry Debtors | 5 | 1,000,103.45 | 4,953,489.00 |
| b. Cash and Bank Balances | 6 | 1,136,448.83 | 46,121.49 |
| c. Loans & Advances | 7 | 5,884,709.54 | - |
| d. Inventories | 8 | 29,802,542.25 | - |
| e. Other Current Assets | 9 | 238,131.00 | - |
| | | <u>38,061,935.07</u> | <u>4,999,610.49</u> |
| Less: Current Liabilities and Provisions | | | |
| a. Current Liabilities | 10 | 17,610,000.00 | 5,000.00 |
| b. Provisions for Tax | | - | - |
| | | <u>17,610,000.00</u> | <u>5,000.00</u> |
| Net Current Assets | | <u>20,451,935.07</u> | <u>4,994,610.49</u> |
| 5. Miscellaneous Expenditure | | | |
| (to the extent not written off or adjusted) | 11 | 33,711,171.93 | 42,591,636.51 |
| Notes to Accounts | 15 | 54,163,107.00 | 47,586,247.00 |
| | | <u>54,163,107.00</u> | <u>47,586,247.00</u> |

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

For First Financial Services Ltd.

Sd/-

Director

Place : Chennai

Date : 6/6/2011

Sd/-

Director

For Shabbir & Associates

Chartered Accountants

Sd/-

Shabbir Kakosiwala N

Membership No: 217421

Firm Regn No: 011594S

First Financial Services Ltd.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

| | Schedule No. | Year ended 31st March, 2011 | Period ended 31st March, 2010 |
|-------------------------------------|-----------------|--------------------------------|----------------------------------|
| INCOME | | | |
| Income from consultancy | | 876,740.00 | 52,500.00 |
| Sale of Shares | | 4,136,951.00 | - |
| Other Income | 12 | 8,322,816.00 | 3,440.00 |
| TOTAL | | 13,336,507.00 | 55,940.00 |
| EXPENDITURE | | | |
| Purchase of Shares | | 33,524,577.05 | - |
| (Increase)/ Decrease in Inventories | 8 | (29,802,542.25) | - |
| Finance & other Charges | 13 | 127,090.66 | 1,293.51 |
| Administrative & Other Expenses | 14 | 606,916.96 | 11,390.00 |
| Miscellaneous Expenditure w/off | 11 | 295,000.00 | - |
| Depreciation | | - | - |
| TOTAL B | | 4,751,042.42 | 12,683.51 |
| Excess of Income over Expenditure | | 8,585,464.58 | 43,256.49 |
| | | 8,585,464.58 | 43,256.49 |
| Less: Provision for Tax | | | |
| - Current Tax | | - | - |
| - Deferred Tax | | - | - |
| Total Tax | | - | - |
| Profit after Tax | | 8,585,464.58 | 43,256.49 |
| Balance b/f from previous year | | (41,116,636.51) | (41,159,893.00) |
| Balance carried to Balance Sheet | | (32,531,171.93) | (41,116,636.51) |
| Notes to Accounts | 15 | | |
| Earnings Per Share (Basic) | | 2.29 | 0.01 |

Schedule referred to above and Notes attached thereto form an integral part of the Profit & Loss Account.

For First Financial Services Ltd.

Sd/-

Director

Place : Chennai
Date : 6/6/2011

Sd/-

Director

For Shabbir & Associates

Chartered Accountants

Sd/-

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

First Financial Services Ltd.

SCHEDULES FORMING PART OF THE ACCOUNTS

| | As at 31st March, 2011 | As at 31st March, 2010 |
|---|-----------------------------|-----------------------------|
| 1. SHARE CAPITAL | | |
| AUTHORISED | | |
| 50,00,000 Equity Shares of Rs.10/- each | <u>50,000,000.00</u> | <u>50,000,000.00</u> |
| ISSUED & SUBSCRIBED | | |
| 37,50,000 Equity Shares of Rs.10/- each | <u>37,500,000.00</u> | <u>37,500,000.00</u> |
| Subscribed & paid up | | |
| 37,47,600 equity shares of Rs.10 each (Of the above 1,25,000 shares of Rs.10/- each fully bonus shares by capitalisation of surplus in profit & loss account) | <u>37,476,000.00</u> | <u>37,476,000.00</u> |
| | <u><u>37,476,000.00</u></u> | <u><u>37,476,000.00</u></u> |
| 2. RESERVES & SURPLUS | | |
| Opening Balance | <u>1,722,000.00</u> | <u>1,722,000.00</u> |
| Add: Transfer from Profit & Loss Account | <u>-</u> | <u>-</u> |
| | <u>1,722,000.00</u> | <u>1,722,000.00</u> |
| Capital Reserve | <u>4,840,000.00</u> | <u>4,840,000.00</u> |
| | <u><u>6,562,000.00</u></u> | <u><u>6,562,000.00</u></u> |
| 3. SECURED LOANS | | |
| Cash Credit from Bank | <u>1,857,518.00</u> | <u>1,857,518.00</u> |
| Less: Written off during the year | <u>(1,857,518.00)</u> | <u>-</u> |
| | <u>-</u> | <u>1,857,518.00</u> |
| 4. UNSECURED LOANS | | |
| Fixed Deposits | | |
| (a) From Director | - | - |
| (b) From Others | <u>1,690,729.00</u> | <u>1,690,729.00</u> |
| Less: Paid & Written off during the year | <u>(1,690,729.00)</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |
| Comfort Intech Ltd | <u>10,125,107.00</u> | <u>-</u> |
| | <u><u>10,125,107.00</u></u> | <u><u>1,690,729.00</u></u> |
| 5. SUNDRY DEBTORS | | |
| Secured and Considered Good | | |
| Outstanding for over six months | | |
| Other Debts | | |
| Unsecured and Considered Good | | |
| Outstanding for over six months | - | - |
| Other Debts | <u>1,000,103.45</u> | <u>4,953,489.00</u> |
| | <u><u>1,000,103.45</u></u> | <u><u>4,953,489.00</u></u> |

First Financial Services Ltd.

SCHEDULES FORMING PART OF THE ACCOUNTS

| | As at 31st March, 2011 | As at 31st March, 2010 |
|---|---------------------------|---------------------------|
| 6. CASH AND BANK BALANCES | | |
| Cash | 254,008.00 | 32,050.00 |
| Balance with Scheduled Banks | 882,440.83 | 14,071.49 |
| | <u>1136,448.83</u> | <u>46,121.49</u> |
| 7. LOANS & ADVANCES | | |
| Advances recoverable in cash or in kind | 4,709,000.00 | - |
| Sundry Advances | 90,000.00 | - |
| Deposits | 1,085,709.54 | - |
| | <u>5,884,709.54</u> | <u>-</u> |
| 8. INVENTORIES | | |
| Opening Stock | - | - |
| Less: Closing Stock | | |
| Name | | |
| Shares held for Trading: | | |
| Quoted | Qty. | |
| Gujarat NRE Coke Ltd | 2000 Nos. | 99,600.00 |
| PM Strips Ltd | 650 Nos. | 26,078.00 |
| Ravi Kumar Distelleries Ltd | 3000 Nos. | 105,150.00 |
| RPP Infra Projects Ltd | 288105 Nos. | 18,971,714.25 |
| Sub Total of Quoted Shares | | <u>19,202,542.25</u> |
| Un-Quoted | | |
| Dixon Exports & Finance P Ltd | 10000 Nos. | 1,000,000.00 |
| Onesource Techmedia Ltd | 50000 Nos. | 500,000.00 |
| Righteous Global Logistics P Ltd (PP) | 10000 Nos. | 1,000,000.00 |
| Seaindia Freight Systems P Ltd (PP) | 1500 Nos. | 1,500,000.00 |
| Siddharth Merchandile Pvt Ltd | 27000 Nos. | 1,000,000.00 |
| SKB Finance Ltd | 1200 Nos. | 600,000.00 |
| Sri Manav Const. Dev. P Ltd | 50000 Nos. | 5,000,000.00 |
| Sub Total of Un-Quoted Shares | | <u>10,600,000.00</u> |
| (Increase)/Decrease in Inventories | | <u>(29,802,542.25)</u> |
| Less: Loss on Revaluation of Shares | | <u>-</u> |
| 9. Other Current Assets | | |
| Tax Deducted at Sources | 238,131.00 | - |
| | <u>238,131.00</u> | <u>-</u> |

SCHEDULES FORMING PART OF THE ACCOUNTS

| | As at 31st March, 2011 | As at 31st March, 2010 |
|---|---------------------------|---------------------------|
| 10. CURRENT LIABILITIES | | |
| Advance Received | 17,600,000.00 | - |
| Provision for Expenses | 10,000.00 | 5,000.00 |
| | <u>17,610,000.00</u> | <u>5,000.00</u> |
| 11. MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF/ADJUSTED | | |
| Profit & Loss (Dr) | 32,531,171.93 | 41,116,636.51 |
| Miscellaneous Expenditure to the extent not w/off | 1,475,000.00 | 1,475,000.00 |
| Less: Written off during the year | (295,000.00) | - |
| | <u>33,711,171.93</u> | <u>42,591,636.51</u> |
| 12. OTHER INCOME | | |
| Fixed Depositors Written off | 1,590,729.00 | - |
| Secured Loans written off | 1,857,518.00 | - |
| Interest Income | 297,288.00 | - |
| Commission Income | 1,555,770.00 | - |
| Other Income | 21,511.00 | - |
| Profit on Sale of Assets | 3,000,000.00 | - |
| | <u>8,322,816.00</u> | <u>-</u> |
| 13. FINANCIAL AND OTHER CHARGES | | |
| Bank charges | 1,983.66 | 1,293.51 |
| Interest Expenses | 125,107.00 | - |
| | <u>127,090.66</u> | <u>1,293.51</u> |

SCHEDULES FORMING PART OF THE ACCOUNTS

| | As at 31st March, 2011 | As at 31st March, 2010 |
|--|---------------------------|---------------------------|
| 14. ADMINISTRATIVE & ESTABLISHMENT EXPENSES | | |
| Advertisement Expenses | 36,278.00 | - |
| Audit Fees | 10,000.00 | 5,000.00 |
| BSE Listing Fees | 174,494.00 | - |
| Consultancy Fees | 42,000.00 | - |
| Conveyance Expenses | 4,860.00 | - |
| Commodity Trading Loss | 14,290.46 | - |
| Postage & Courier Expenses | 97,715.00 | - |
| Fees & Subscription | 17,917.00 | - |
| General Expenses | 5,437.77 | 3,990.00 |
| Legal Expenses | 40,000.00 | - |
| Office Maintenance | 3,300.00 | - |
| Office Rent | 6,000.00 | - |
| Printing & Stationery | 27,978.00 | - |
| RTA Charges | 16,545.00 | - |
| Salary and Bonus | 36,000.00 | - |
| SEBI Stamp & TOC | 4,927.31 | - |
| Service Tax | 11,612.42 | - |
| Staff Welfare | 580.00 | - |
| STT Charges | 30,982.00 | 2,400.00 |
| Travelling and Boarding | 26,000.00 | - |
| | <u>606,916.96</u> | <u>11,390.00</u> |

First Financial Services Ltd.

SCHEDULES FORMING PART OF THE ACCOUNTS

Schedule 15

Notes to Accounts

Significant accounting policies and notes on accounts for the year ended 31-3-2011

1. Significant Accounting policies:

a. Revenue Recognition:

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

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

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

b. Fixed Asset:

No Fixed Assets. Fixed assets have been assigned in the last year itself. However the Company has received an additional Rs.30 Lakhs this year towards assets sold in earlier year.

c. Depreciation of fixed asset:

Nil

d. Inventories:

Inventories which represents shares are valued as follows:

Quoted Shares:- At cost or market value which ever is lower

Un-Quote Shares:- At cost

2. Remuneration to the Auditor:

Statutory Audit

31.03.2011

Rs. 10000/-

31.03.2010

Rs. 5000/-

3. Remuneration to Directors:

Nil

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

31.03.2011

31.03.2010

a. Net Profit After Tax (in Rs.)

8585465

43256

b. Weighted Average No. of Equity Shares (in Nos.)

3747600

3747600

c. Basic & Diluted Earning Per Share (in Rs.)

2.29

0.01

d. Face Value Per Share (in Rs.)

10.00

10.00

Note: There are no potential dilutive equity shares.

5. Earnings in Foreign Exchange : Nil

6. Contingent liability not provided for : Nil

The Company has written off Fixed Deposits payable of Rs.15,90,729/- and Secured Loans of Rs.18,57,518/- as Income this year as the said liabilities are very old in nature and time barred. In case the same are payable in future the amount will have to be paid and debited to Profit and Loss account.

7. Provision for Income tax: Nil

8. Since the Company ceased lending, deferred tax has not been considered for the accounts and the Company has not created deferred assets though there are unabsorbed losses and unabsorbed depreciation.

9. The previous year figures have been regrouped or reclassified wherever found necessary to confirm to grouping or classification of current year.

As per our report of even date.

For First Financial Services Ltd

Sd/-

Director

Place : Chennai

Date : 6/6/2011

Sd/-

Director

For Shabbir & Associates

Chartered Accountants

Sd/-

Shabbir Kakosiwala N

Membership No: 217421

Firm Regn No: 011594S

First Financial Services Ltd.

Cash Flow Statement for the year ended 31st March, 2011

| (A) CASH FLOW FROM OPERATING ACTIVITIES | As at 31st March, 2011 | As at 31st March, 2010 |
|--|-----------------------------------|-----------------------------------|
| Profit Before tax | 8,585,464.58 | 43,256.49 |
| Depreciation & lease equilasation Net | | - |
| (Profit) / loss on Asset / Investment | - | |
| Interest Income | (297,288.00) | - |
| Interest Paid | 125,107.00 | |
| Misc Expenses Written Off | 295,000.00 | - |
| Operating profit before Working Capital | <u>8,708,283.58</u> | 43,256.49 |
| (Increase) / Decrease Inventory | (29,802,542.25) | - |
| (Increase) / Decrease in Debtors | 3,953,385.55 | (2,242,184.00) |
| Increase / (Decrease) Creditors | - | - |
| (Increase) / Decrease in Loans & Advances | (5,884,709.54) | 15,000.00 |
| Increase / (Decrease) in Current Liabilities & Provision | 17,605,000.00 | (2,339,016.00) |
| (Increase) / Decrease in Misc. expenses | - | - |
| Tax Deducted at Source | (238,131.00) | - |
| Cash Generation from Operation | <u>(14,366,997.24)</u> | (4,566,200.00) |
| Direct Taxes Paid | - | - |
| NET CASH FROM OPERATING EXPENSES | (5,658,713.66) | (4,522,943.51) |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed asset | - | - |
| Sale of Fixed asset | - | 7,132,150.00 |
| Purchase of Investment | - | - |
| Sale of Investment | - | - |
| Interest / Dividend received | - | - |
| NET CASH FLOW FROM INVESTING ACTIVITIES | - | 7,132,150.00 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase/(Decrease) in secured loans | (1,857,518.00) | - |
| Increase/(Decrease) in Unsecured Loans | 8,434,378.00 | (2,566,241.00) |
| Interest Income | 297,288.00 | - |
| Interest Paid | (125,107.00) | - |
| NET CASH FLOW FROM FINANCING ACTIVITIES | 6,749,041.00 | (2,566,241.00) |
| NET INCREASE IN CASH AND CASH EQUIVELENT (A+B+C) | 1,090,327.34 | 42,965.49 |
| CASH AND CASH EQUIVELENT AT THE BEGINNING OF THE YEAR | 46,121.49 | 3,156.00 |
| CASH AND CASH EQUIVELENT AT THE END OF THE YEAR | 1,136,448.83 | 46,121.49 |

For First Financial Services Ltd

Sd/-
Director

Sd/-
Director

Place : Chennai
Date : 6/6/2011

AUDITORS CERTIFICATE

We have verified the above Cash Flow Statement of First Finanacial Ltd. derived from the audited accounts for the year ended 31st March, 2011 and found to be same drawn in the accordance therewith and also with the requirement of Clause 41 of the listing Agreement with Bombay Stock Exchange Limited.

For Shabbir & Associates
Chartered Accountant
Proprietor

Sd/-
Proprietor
M. No 217421
Firm Reg No:011594S

Place : Chennai
Date : 06/06/2011

First Financial Services Ltd.

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and General Business Profile

| Particulars | | (Rs. In'000) |
|-------------|---|-----------------------|
| A. | Registration details | |
| | State Code | 18 |
| | Registration no. | L74210TN1984PLC011231 |
| | Balance Sheet date | 31.03.2011 |
| B. | Capital raised during the year | |
| | Public Issue | Nil |
| | Rights Issue | Nil |
| | Bonus Issue | Nil |
| | Private Placement | Nil |
| C. | Position of mobilization and deployment of funds | |
| | Total Liabilities | 541.63 |
| | Total Assets | 541.63 |
| | Sources of Funds | |
| | Paid-up Capital | 374.76 |
| | Reserves and surplus | 65.62 |
| | Deferred tax liabilities | Nil |
| | Secured loans | 101.25 |
| | Application of Funds | |
| | Net fixed assets | Nil |
| | Investments | Nil |
| | Net current assets | 204.52 |
| | Miscellaneous expenditure | 11.80 |
| | Accumulated losses | 325.31 |
| D. | Performance of the Company | |
| | Turnover (including other income and Closing Stock) | 133.37 |
| | Total Expenditure (including Opening Stock) | 47.51 |
| | Profit before tax | 85.85 |
| | Profit after tax | 85.85 |
| | Earnings per share (in Re.) | 2.29 |
| | Dividend per share (in Re.) | Nil |
| E. | Generic Names of Principal Products of the Company | |
| | Item code no. (ITC code) | Not Applicable |
| | Product description | Not Applicable |

FIRST FINANCIAL SERVICES LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company being held on Friday the 30th day of September, 2011 at 4.00 P.M. at Registered Office of the Company situated at 2-C, Ram Mansion, 367, Pantheon Road, Egmore, Chennai - 600 008.

NAME OF SHARE HOLDER _____

NAME OF PROXY _____

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

SIGNATURE OF SHAREHOLDER/PROXY* _____

* Strike out Which is not applicable

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

------(TEAR HERE)-----

FIRST FINANCIAL SERVICES LIMITED

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

PROXY FORM

Folio No. : _____

I/We _____

Of _____ being

A member / members of the First Financial Services Limited hereby appoint _____ of

_____ or

failing _____ him / her

of _____

As my/our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Friday the 30th September, 2011 at 4.00 P.M. or at any adjournment thereof.

Signed this _____ day of _____

Affix Rupee
One revenue
Stamp

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

Book Post

If undelivered, please return to:



FIRST FINANCIAL SERVICES LIMITED
Regd. Office : 2 - C, II Floor, Ram Mansion,
No. 367, Pantheon Road, Egmore
Chennai 600 008, INDIA.