





THE ACTION TEAM

Milan R. Parekh	- Chairman & Managing Director
Ramnislal B. Parekh	- Wholetime Director
Bakul R. Parekh	- Joint Managing Director
Haresh D. Vora	- Executive Director
Sujir R. Nayak	- Director
Vinay K. Seksaria	- Director
Dinesh R. Shah	- Director

Auditors

Bankers

Registrar
Transfer

Registrar

Dealing

Branch

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ACTION FINANCIAL SERVICES (INDIA) LTD.

Auditors	Ford, Rhodes, Parks & Co. Chartered Accountant	
Bankers	Andhra Bank Bank of India Central Bank of India Canara Bank Progressive Co-op. Bank Ltd.	
Registrar & Transfer Agent	Intime Share Services Pvt. Ltd. 260, A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West). Mumbai - 400 080.	
Registered Office	31, Rajgir Chambers, 4th Floor, 12/14, Shahid Bhagatsingh Road, Fort, Mumbai - 400 023.	
Dealing Office	Ground Floor, Sonawala Building, Green Street, Opp. Old Customs House, Fort, Mumbai - 400 023.	
Branch Office	Bangalore S-805, Manipal Centre, 47, Dickenson Road, Bangalore - 506 042.	Bellary 5/30, 1st Floor, Ananthpur Road, Bellary -583 101



Action Financial Services (India) Ltd

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of Action Financial Services (India) Limited will be held on Wednesday, 29th October, 1997 at the registered office of the company at 31, Rajgir Chambers, 12/14, Sahid Bhagatsingh Road, Mumbai - 400 023 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the period ended 30th June, 1997 and the Balance Sheet as on that date together with the Report of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Shri Milan R. Parekh, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Sujir R. Nayak, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

" RESOLVED THAT M/S Ford, Rhodes, Parks & Company, Chartered Accountants, Fort, Mumbai be and are hereby re-appointed as Auditors of the company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as may be fixed by the Board of directors plus reimbursement of all out of pocket expenses."

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

" RESOLVED THAT Shri Haresh Vora, who was appointed as Additional Director of the company with effect from 29th November, 1996 and who holds office upto the date of this Annual General Meeting and being eligible offers himself for re-appointment and in respect of whom the company has received a Notice in writing from a Member under section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri Haresh Vora for the office of Director of the company, be and is hereby appointed a Director of the company liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as Special Resolution :

" RESOLVED THAT pursuant to the provisions of section 269 and 198 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the 'Act') read with Schedule XIII to the Act the approval of the company be and is hereby accorded to the appointment of Mr. Milan R. Parekh, as Managing Director of the company for a period of five years with effect from 1st October, 1997 at a remuneration and upon terms and conditions as set out in the letter of appointment dated 25/09/1997 issued to him, a copy of which is submitted to this meeting and initialed by Mr. Haresh Vora, Director for the purpose of identification.



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RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the company, the Managing Director be paid the same remuneration, as specified in the letter of his appointment, including perquisites as minimum remuneration in accordance with the applicable provisions and subject to the ceiling limits specified under Section II of Part II to the Act.

RESOLVED FURTHER THAT the Board of Director of the company be and is hereby authorised to vary and increase the remuneration and perquisites as they may consider appropriate, which is within the ceiling limits laid down under the applicable provisions of the Act or any statutory amendment in the law for the time being in force and members hereby approve such variation or increase as may be determined by the Board from time to time."

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as Special Resolution :

" RESOLVED THAT pursuant to the provisions of section 269 and 198 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the 'Act') read with Schedule XIII to the Act the approval of the company be and is hereby accorded to the appointment of Mr. Bakul R. Parekh, as Joint Managing Director of the company for a period of five years with effect from 1st October, 1997 at a remuneration and upon terms and conditions as set out in the letter of appointment dated 25th September, 1997 issued to him, a copy of which is submitted to this meeting and initialed by Mr. Haresh Vora, Director for the purpose of identification.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the company, the Joint Managing Director be paid the same remuneration, as specified in the letter of his appointment, including perquisites as minimum remuneration in accordance with the applicable provisions and subject to the ceiling limits specified under Section II of Part II to the Act.

RESOLVED FURTHER THAT the Board of Director of the company be and is hereby authorised to vary and increase the remuneration and perquisites as they may consider appropriate, which is within the ceiling limits laid down under the applicable provisions of the Act or any statutory amendment in the law for the time being in force and members hereby approve such variation or increase as may be determined by the Board from time to time.

RESOLVED FURTHER THAT the said Joint Managing Director when re-appointed as a Director immediately on retirement by rotation, shall continue to hold his office of Joint Managing Director, and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Joint Managing Director."

8 To consider and, if thought fit, to pass, with or without modifications, the following resolution as Special Resolution :

" RESOLVED THAT pursuant to the provisions of section 269 and 198 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the 'Act') read with Schedule XIII to the Act the approval of the company be and is hereby accorded to the appointment of Mr. Haresh Vora, as Executive Director of the company for a period of five years with effect from 1st October, 1997 at a remuneration and upon terms and conditions as set out in the letter of appointment dated 29th September, 1997, issued to him, a copy of which is submitted to this meeting and initialed by the Chairman Mr. Milan R. Parekh, for the purpose of identification.



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RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the company, the said Executive Director be paid the same remuneration, as specified in the letter of his appointment, including perquisites as minimum remuneration in accordance with the applicable provisions and subject to the ceiling limits specified under Section II of Part II to the Act.

RESOLVED FURTHER THAT the Board of Director of the company be and is hereby authorised to vary and increase the remuneration and perquisites as they may consider appropriate, which is within the ceiling limits laid down under the applicable provisions of the Act or any statutory amendment in the law for the time being in force and members hereby approve such variation or increase as may be determined by the Board from time to time.

RESOLVED FURTHER THAT the said Executive Director when re-appointed as a Director immediately on retirement by rotation, shall continue to hold his office of Executive Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Executive Director."

NOTES:

1. Members entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be lodged/received at the Registered office of the company not less than 48 hours before the time fixed for this Annual General meeting.
2. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Special business of the Notice is annexed herewith.
3. The Register of Members and Share Transfer Books of the company will remain closed from Tuesday, 21st October, 1997 to Friday, 24th October, 1997 (both days inclusive).
4. All matters connected to shares transfers and other related matters be addressed to the company's Share Transfer Agent M/S Intime Share Services Privat limited at 260 A Shanti Industrial Estate, Sarojini Naidu Road, Mulund West, Mumbai - 400 080.
5. Members while corresponding with the company are requested to quote their respective Folio No. in the correspondence and also notify the change of address, if any, to the company.
6. Members are requested to bring their copies of Annual Report at the time of attending the Annual General Meeting.
7. Members seeking any information/clarification with regard to accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
8. Members/Proxy holders are requested to produce attendance slip, at the entrance of the Hall of the meeting duly completed and signed.

Registered office:
31, Rajgir Chambers,
12/14, Sahid Bhagatsingh Road,
Mumbai - 400 023.
Date: 29th September, 1997

By order of the Board,

MILAN R. PAREKH
Chairman



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

For Item No.5

Mr. Haresh Vora was appointed as additional director of the company with effect from 29th November, 1996 at the Board Meeting pursuant to section 260 of the Companies Act, 1956. Mr. Haresh Vora will hold office of director up to the date of the ensuing Annual General Meeting. The company has received a notice in writing from a member proposing the candidature of Mr. Haresh Vora for the office of director under the provisions of section 257 of the Companies Act, 1956.

Directors recommend the resolution for your approval.

Mr. Haresh Vora may be deemed to be concerned or interested in the resolution relating to his appointment. None of the other Directors are in any way, concerned or interested in the said resolution.

For Item No. 6:,7 and 8:

The Board of Directors of the company at its meeting held on 29th September, 1997 has appointed Mr. Mialn R. Parekh, Mr. Bakul R. Parekh and Mr. Haresh Vora as the Managing Director, Joint Managing Director and Executive Director of the company respectively with effect from 1st October, 1997 for a period of Five years on the following terms, conditions and remuneration :

1. SALARY

To Mr. Milan R. Parekh : Rs. 25,000 per month

To Mr. Bakul R. Parekh : Rs. 25,000 per month

To Mr. Haresh Vora : Rs. 10,000 per month

2. PERQUISITE

Perquisites are classified under following categories.

CATEGORY 'A' :**1. HOUSING :**

The company shall not provide any accommodation but in lieu of that the above documents will be entitled for the House Rent Allowances which shall not exceed 60% of the salary,

In addition gas electricity, water and furnishings or allowances in lieu thereof will be provided, the expenditure on which will be valued as per Income Tax Rules, 1962.

2. MEDICAL REIMBURSEMENT :

Medical expenses incurred by the Managing director/ Joint Managing Director/ Executive Director for self and family including dependent mother and father subject to a ceiling of one month salary per year or three months salary in a block of three years, will be reimbursed.

3. LEAVE TRAVEL ALLOWANCE :

For self and family including dependent mother and father, once in a year in accordance with the rules of the company.



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4. CLUB FEES :

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

5. PERSONAL ACCIDENT INSURANCE :

Of an amount the annual premium of which does not exceed Rs. 4000/-.

CATEGORY 'B' :

The following perquisites shall not be included in the computation of remuneration for deciding the ceiling specified for minimum remuneration under Schedule XIII to the Companies Act, 1956.

1. Contribution to provident fund, superannuation fund or annuity fund will not included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income- tax Act.
2. Gratuity payable will not exceed half a month's salary for each completed year of services.
3. Encashment of leave at the end of the tenure .

CATEGORY 'C' :

Car:

Free use of the company's car with driver for company's business. Use of car for private purpose shall be billed by company.

Telephone :

Provision of telephone at residence of the Managing Director/Joint Managing Director/ Executive Director at company's cost shall not be considered as perquisite. Personal long distance calls shall be billed by the company.

OTHER BENEFITS :

1. Leave as per rules in force in the company from time to time.
2. Benefits under housing loan and other schemes in accordance with the practices, rules and regulations in force from time to time.
3. Such other benefits as may be provided by the company to other senior officers from time to time.
4. Provided however that in the event of loss or inadequacy of profits in any year during the term of office of the Managing Director/Joint Managing Director/ Executive Director, the same remuneration as stated above shall be payable to him subject to the limits prescribed under the Companies Act, 1956 or Schedule XIII thereof.

OTHER TERMS :

1. The terms and conditions of the appointment and / or remuneration may be varied by the Board of Directors in such manner as may be mutually agreed between the Board and the Managing Director/Joint Managing Director/Executive Director, subject to the provisions and the ceiling prescribed under the companies Act, 1956 or Schedule XIII thereof.
2. Managing Director/Joint Managing Director/Executive Director shall be entitled for reimbursement of all the expenses that may be incurred by him for and on behalf of the company to conduct the business of the company.



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3. The Managing Director/Joint Managing Director/ Executive Director shall be entitled to all leave benefits as are applicable under the Company's Rules applicable to executives and in force from time to time.
4. The appointment of Managing Director/ Joint Managing Director/ Executive Director shall be subject to the approval of the members in general meeting.

As you are aware that Mr. Milan R. Parekh is the main promoter of the company and because of his continuous efforts the company has reached to this stage. He has been instrumental in getting recognition and status which the company enjoys today in capital market and it is because of his continuous efforts and expertise the company has got the membership of Bangalore Stock Exchange, National Stock Exchange, OTCEI and Mumbai Stock Exchange and further the company enjoys the privilege of being one of the first twenty companies in India registered by NSDL as Depository Participant.

Mr. Bakul R. Parekh is also one of the promoters and first Directors of the company. Mr. Bakul R. Parekh has got the vast experience of more than a decade in the secondary market in Mumbai Stock exchange. Because of his vast experience in the capital market and especially his expertise in the secondary market the Board has decided to entrust him the overall administration of market operation. While Mr. Haresh Vora is dynamic young man having vast experience in market operation, back office work and overall administration and liaison with the various authorities.

In view of the increasing activities and future expansion programme of the company, your Board of Directors have decided to avail the services of Mr. Milan R. Parekh, Mr. Bakul R. Parekh, and Mr. Haresh Vora and has appointed them as Managing Director, Joint Managing Director and Executive Director of the company respectively for a period of five years with effect from 1st October, 1997 on such terms, conditions and remuneration as mentioned in the letter of Appointment dated 29th September, 1997, copies of which are submitted to this meeting.

The above may be treated as an abstract of the letter of Appointment dated 29th September, 1997 issued to Mr. Milan R. Parekh, Mr. Bakul R. Parekh and Mr. Haresh Vora pursuant to Section 302 of the Companies Act, 1956.

Copies of the Letter of Appointment dated 29th September, 1997 will be available for inspection by the Members at the Registered office of the company any time between 11.00 a. m. And 1.00 p. m. On all working days upto the date of annual general meeting.

Except Mr. Milan R. Parekh, Mr. Bakul R. Parekh and Mr. R. B. Parekh no other Directors of the company are deemed to be concerned or interested in the resolution at item No. 6 and 7 of the accompanying notice. While no directors except Mr. Haresh Vora is concerned or interested in the resolution at item No. 8 of the accompanying notice.

Registered office:
31, Rajgir Chambers,
12/14, Sahid Bhagatsingh Road,
Mumbai - 400 023.
Date: 29th September, 1997

By order of the Board,

MILAN R. PAREKH
Chairman