

**ACTION
FINANCIAL
SERVICES
(INDIA) LTD.**



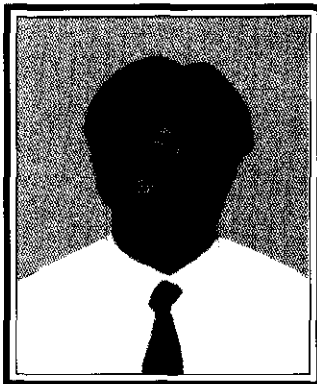
**Seventh
Annual Report
1999-2000**



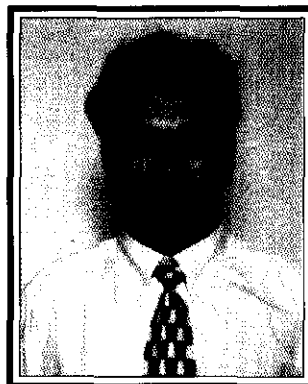
THE ACTION TEAM



Milan R. Parekh - Chairman & Managing Director



Bakul R. Parekh
Jt. Managing Director



Haresh D. Vora
Executive Director



Vinay K. Seksaria
Director

Seventh Annual Report 1999-2000

Auditors	:	Ford, Rhodes, Parks & Co. Chartered Accountant
Bankers	:	Andhra Bank Bank Of India Central Bank of India Canara Bank Progressive Co-op. Bank Ltd. IndusInd Bank Ltd. Bank of Maharashtra
Registrar & Share Transfer Agent	:	Intime Spectrum Registry Pvt. Ltd. 260, A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (W), Mumbai-400 080.
Registered Office & Securities Banking Cell	:	31, Rajgir Chambers, 4th Floor, 12/14, Shahid Bhagatsingh Road Fort, Mumbai- 400 023. Tel. 266 4505/18/270 2666/67.
Securities Banking Branches	:	Mumbai (Masjid, Sion, Dadar, Matunga) Thane, Bangalore, Dharmavaram, Gorakhpur, Guntur, Jamshedpur, Jalgaon, Kurnool, Mysore, Kakinada, Prodattur, Ranchi, Rajkot, Sholapur
Administrative Office	:	72/74 Kazi Sayeed Street, Sujeer House, 4th Floor, Masjid, Mumbai - 400 003. Tel : 340 2222.
Branch with BSE Terminals	:	Mumbai (Masjid, Borivali), Surat, Ranchi, Jamshedpur, Kurnool, Pradattur, Guntur & Gottigere Village, Sholapur, Hyderabad.
Branch with NSE Terminals	:	Mumbai (Masjid), Bangalore & Dharmavaram, Surat.
Listed At	:	Mumbai, Bangalore, Delhi & Mangalore.

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Action Financial Services (India) Ltd.

NOTICE

NOTICE is hereby given that the SEVENTH ANNUAL GENERAL MEETING of ACTION FINANCIAL SERVICES (INDIA) LIMITED will be held on Saturday, 30th September, 2000 at the registered office of the company at 4/31, Rajgir Chambers, 12/14, Shahid Bhagat Singh Road, Fort, 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 31st March, 2000 and the Balance Sheet as on that date together with the Report of the Directors and Auditor's thereon.
2. To confirm and ratify the interim dividend of 5% p.a. declared and paid by the Board of Directors of the company.
3. To appoint a Director in place of Shri Bakul R. Parekh, 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 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, as amended, the approval of the company be and is hereby accorded to the increase in the remuneration payable to Mr. Milan R. Parekh, Managing Director of the company, in accordance with the revised letter of appointment dated 30th August, 2000 issued to him, with effect from 1st October, 2000, a copy of which is submitted to this meeting and initialed by Mr. Vinay Sekseria, 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 Managing Director be paid the same remuneration during the remaining period of his office, 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 of Schedule XIII to the Act, as amended.

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."

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, as amended, to the Act the approval of the company be and is hereby accorded to the increase in the remuneration payable to Mr. Bakul R. Parekh, Joint Managing Director of the company, in accordance with the revised letter of appointment dated 30th August, 2000 issued to him, with effect from 1st October, 2000, a copy of which is submitted to this meeting and initialed by Mr. Vinay Sekseria, 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 during the remaining period of his office, 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 of Schedule XIII to the Act, as amended.

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"

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 198 and 269 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the 'Act') read with schedule XIII, as amended, to the Act the approval of the company be and is hereby accorded to the increase in the remuneration payable to Mr. Haresh D. Vora, Executive Director of the company, in accordance with the revised letter of appointment dated 30th August, 2000 issued to him, with effect from 1st October, 2000, a copy of which is submitted to this meeting and initialed by Mr. Vinay Sekseria, 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 Executive Director be paid the same remuneration during the remaining period of his office, 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 of Schedule XIII to the Act, as amended.

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 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"

Registered Office :
4/31, Rajgir Chambers,
12/14, Shahid Bhagat Singh Road,
Fort, Mumbai - 400 023.

By order of the Board,

MILAN R. PAREKH
Chairman & Managing Director

Date : 30th August, 2000

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 28th September, 2000 to 30th September, 2000 (both days inclusive).
- 4) All matters connected to shares transfer and other related matters be addressed to the company's Share Transfer Agents M/S Intime Spectrum Share Registry Private Limited at 260, A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (W), 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.

Action Financial Services (India) Ltd.

- 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.

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

For Item No. 4 and 5 :

The Board of Directors of the company at its meeting held on 30th August, 2000 have increase the remuneration payable to Mr. Milan R. Parekh, Chairman & Managing Director, Mr. Bakul R. Parekh, Joint Managing Director and Mr. Haresh D. Vora, Executive Director of the company, for the remaining period of their tenure in the said offices with effect from 1st October, 2000, subject to your approval. The proposed remuneration would be as follow :

1) **SALARY :**

To Mr. Milan R. Parekh	:	Rs. 1,20,000 per month
To Mr. Bakul R. Parekh	:	Rs. 1,20,000 per month
To Mr. Haresh Vora	:	Rs. 15,000 – 2,500 – 17,500 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 they 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.

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. 4,000/-.

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.