



THE ACTION TEAM

Mr. Milan R. Parekh	: Chairman & Managing Director
Mr. Bakul R. Parikh	: Jt. Managing Director
Mr. Nirav K. Sanghavi	: Director
Mr. Atul A. Zatakia	: Director
Mr. Ketan H. Mehta	: Director

Audit Remuneration & Share Holder Investor Grievance Committee

Mr. Nirav K. Sanghavi
Mr. Atul A. Zatakia
Mr. Ketan H. Mehta

Action Belief

“If We don’t take care of The Customer... somebody else will.”
 “The Customer is our reason for Being here”
 “A satisfied customer is the business strategy of all.”
 “There is only one boss. The customer and he can fire everybody in the company from the chairman on down simply by spending his money somewhere else.”
 “It takes less effort to keep an old customer satisfied than to get new customer interested.”
 “Your most unhappy customers are your greatest source of learning.”

...anonymous

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AUDITOR	: Ford, Rhodes, Parks & Co. Chartered Accountants
BANKERS	: Bank of India HDFC Bank Ltd ICICI Bank Ltd Citibank N.A.
REGISTER & SHARE TRANSFER AGENT	: M/s Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L. B. S. Marg, B hand up (West), Mumbai - 400 078. Tel.: 25963838 Fax.: 25672693.
REGISTERED OFFICE & BROKING DIVISION	: 31, 4th Floor, Rajgir Chambers, 12/14, Shahid Bhagatsingh Road, Fort, Mumbai 400001. Tel.:40624444 Fax:40624446/47 Email ID: actionfin@actionfin.com Website:- www.actionfin.com
SECURITIES BANKING CELL (DEPOSITORY PARTICIPANT OF NSDL)	: 31, 4th Floor, Rajgir Chambers, 12/14, Shahid Bhagatsingh Road. Fort, Mumbai-400001. Tel. 40624444 Fax: 40624446
BRANCH WITH BSE TERMINALS	: Mumbai (Fort,Matunga,Borivali), Bharuch, Surat (3). Bokaro(3), Dhanbad. Dharmavaram, Valsad, Varnasi and Mangalore.
BRANCH WITH NSE TERMINALS	: Mumbai (Fort), Mumbai central, Vaslad, Varnasi, Bharuch, Baroda, Bokaro (2), Dhanbad (2), Dharmavaram valsad and Mangalore.
DEPOSITORY BRANCHES	: Mumbai (Fort), Mumbai central, Ahmedabad, Baroda, Bokaro, Kakinada, Bharuch. Valsad, Varanasi, Dhanbad and Mangalore
LISTED AT	: Mumbai.

NOTICE

NOTICE is hereby given that the 17th ANNUAL GENERAL MEETING of ACTION FINANCIAL SERVICES (INDIA) LIMITED will be held on 30th September, 2010 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 year ended 31st March, 2010 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 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 bearing Membership No. 11549 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:

4. To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution :
"RESOLVED THAT Atul A Zatakia, who was appointed as an additional director by the Board of Directors on 29th January, 2010 to hold the said office until the conclusion of the forthcoming annual general of the company, and in respect of whom the company has received notice from members of the company under section 257 of the Companies Act, 1956, proposing his candidature for the office of director, be and is hereby appointed as director of the company, liable to retire by rotation."
5. To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution :
"RESOLVED THAT Ketan H Mehta, who was appointed as an additional director by the Board of Directors on 29th January, 2010 to hold the said office until the conclusion of the forthcoming annual general of the company, and in respect of whom the company has received notice from members of the company under section 257 of the Companies Act, 1956, proposing his candidature for the office of director, be and is hereby appointed as director of the company, liable to retire by rotation."
6. To consider and if thought fit to pass with or without modification(s), the following Resolution as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of section 198, 269, 309 read with the provisions of Section II B of Part II of schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such other approval as may be required, the consent of the company be and is hereby accorded to the upward revision in the remuneration, prerequisites and other benefits as stated here under, being paid to Milan R. Parekh, Managing Director of the Company, with effect, from 1st October, 2010 for the remaining tenure of his office which ends on 30th September 2012

SALARY:

Gross Salary Rs. 1,75,000/- (Rupees One Lakh Seventy Five Thousand Only) per month inclusive of all perquisites.

The Board may review the basic salary on completion of each year of tenure.

PERQUISITE:**(i) Housing:**

The company shall not provide any accommodation but in lieu of that he 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.

(ii) Medical Reimbursement:

Medical expenses incurred by the Managing 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.

(iii) Club Fees:

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

(iv) Personal Accident Insurance:

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

(v) Free use of the company's car with driver for company's business. Use of car for private purpose shall be billed by company.**(vi) Provision of telephone at residence of the Managing Director at company's cost shall not be considered as perquisite. Personal long distance calls shall be billed by the company.****(vii) OTHER BENEFITS:**

(a) Leave as per rules in force in the company from time to time.

(b) Benefits under housing loan and other schemes in accordance with the practices, rules and regulations in force from time to time.

(c) Such other benefits as may be provided by the company to other senior officers from time to time.

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.

Minimum Remuneration:

In the event of loss or inadequacy of profits in any year during the term of office of the Managing Director, the same remuneration as stated above shall be payable to him as minimum remuneration subject to the limits prescribed under the provisions of the Companies Act, 1956 read with Schedule XIII thereof.

RESOLVED FURTHER THAT the Board of Director or any committee thereof, be and is hereby authorised to do all such acts, deeds, matters and things including revising the remuneration, perquisites and other terms as may be necessary, within the limit prescribed under the provisions of the Companies Act, 1956 read with Schedule XIII thereof, for giving effect to this resolution."

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, 269,309 read with the provisions of Section II B of Part II of schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such other approval as may be required, the consent of the company be and is hereby accorded to the upward revision in the remuneration, perquisites and other benefits as stated hereunder, being paid to Bakul R. Parekh, Jt. Managing Director of the Company, with effect from 1st October, 2010 for the remaining tenure of his office which ends on 30th September 2012

SALARY:

Gross Salary Rs. 1, 70,000/- (Rupees One lakh Seventy Thousand only) per month inclusive of all perquisites.

PERQUISITE:

- (i) Housing:

The company shall not provide any accommodation but in lieu of that he 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.

- (ii) Medical Reimbursement:

Medical expenses incurred by the Jt. Managing 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.

- (iii) Club Fees:

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

- (iv) Personal Accident Insurance:

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

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

- (vi) Provision of telephone at residence of the Jt. Managing Director at company's cost shall not be considered as perquisite. Personal long distance calls shall be billed by the company.

(vii) OTHER BENEFITS:-

- (a) Leave as per rules in force in the company from time to time.
- (b) Benefits under housing loan and other schemes in accordance with the practices, rules and regulations in force from time to time.
- (c) Such other benefits as may be provided by the company to other senior officers from time to time.

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.

Minimum Remuneration:

In the event of loss or inadequacy of profits in any year during the term of office of the Joint Managing Director, the same remuneration as stated above shall be payable to him as minimum remuneration subject to the limits prescribed under the provisions of the Companies Act, 1956 read with Schedule XIII thereof.

RESOLVED FURTHER THAT the Board of Director or any committee thereof, be and is hereby authorised to do all such acts, deeds, matters and things including revising the remuneration, perquisites and other terms as may be necessary, within the limit prescribed under the provisions of the Companies Act, 1956 read with Schedule XIII thereof, for giving effect to this resolution.”

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

“RESOLVED THAT pursuant to section 94 and applicable provisions of the Companies Act, 1956, out of unissued portion of the Authorised preference share capital of the company, 1,00,000 (One Lakh) Preference shares of Rs. 100/- (Rupees One Hundred only) each aggregating Rs. 1,00,00,000 (Rupees One Crore only) be reclassified into and as 10,00,000 (Ten Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating Rs. 1,00,00,000 (Rupees One Crores only).”

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

“RESOLVED THAT to effect the reclassification of unissued Authorised Preference Share Capital into Equity Share Capital Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting existing Clause V with the following new Clause:

- v. The Authorised capital of the company is Rs. 12,00,00,000 (Rupees Twelve Crores only) divided into 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating Rs. 11,00,00,000 (Rupees Eleven Crores) and 1,00,000 (One Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred only) each aggregating

Rs. 1,00,00,000 (Rupees One Crore), with power to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualify or special rights, privileges or conditions, as may be determined and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for time being be provided by the Articles of Association of the company

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

“RESOLVED THAT to effect the reclassification of unissued Authorised Preference Share Capital into Equity Share Capital the Articles of Association of the Company be and is hereby altered by substituting existing Clause 3 with the following new Article:

3. The Authorised capital of the company is Rs. 12,00,00,000 (Rupees Twelve Crores only) divided into 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating Rs. 11,00,00,000 (Rupees Eleven Crores) and 1,00,000 (One Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred only) each aggregating Rs. 1,00,00,000 (Rupees One Crore), with power to increase or reduce the capital from time to time in accordance with regulation of the company and legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into equity share and preference share capital and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions

11. To consider and, if thought fit, to pass, with or without modification, the following resolution as **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions section 94 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such consent / approval as may be required, of the concerned authorities as may be required from time to time, the Authorised share capital of the company be and is hereby increased from Rs. 12,00,00,000 (Rupees Twelve Crores only) divided into 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) and 1,00,000 (One Lakh) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred only) each to Rs. 13,00,00,000 (Rupees Thirteen Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating Rs. 12,00,00,000 (Rupees Twelve Crores only) and 1,00,000 (One Lakh) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred only) each aggregating Rs. 1,00,00,000 (Rupees One Crore Only) by creation of further 10,00,000 (Ten Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each”

12. To consider and, if thought fit, to pass, with or without modification, the following resolution as **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of section 16 and other applicable provisions, if any, of the Companies Act, 1956, the Clause V of the Memorandum of Association of the Company be and is hereby altered by substitution of following new Clause in place and lieu of the existing Clause V of the Memorandum of Association of the Company, consequent upon increase in Authorised share capital of the Company:

- v. The Authorised capital of the company is Rs. 13,00,00,000 (Rupees Thirteen Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating Rs. 12,00,00,000 (Rupees Twelve Crores) and 1,00,000 (One Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred

only) each aggregating Rs. 1,00,00,000 (Rupees One Crore), with power to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualify or special rights, privileges or conditions, as may be determined and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for time being be provided by the Articles of Association of the company.”

13. To consider and, if thought fit, to pass, with or without modification, the following resolution as SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of section 31 and other applicable provisions, if any, of the Companies Act, 1956, **Article 3** of the Articles of Association of the Company be and is hereby altered by substitution of following new Article in place and lieu of the existing Article 3 of the Articles of Association of the Company, consequent upon increase in Authorised share capital of the Company:

3. The Authorised capital of the company is Rs. 13,00,00,000 (Rupees Thirteen Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating Rs. 12,00,00,000 (Rupees Twelve Crores) and 1,00,000 (One Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred only) each aggregating Rs. 1,00,00,000 (Rupees One Crore) with power to increase or reduce the capital from time to time in accordance with regulation of the company and legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into equity share and preference share capital and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions.”

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

“RESOLVED THAT in accordance with and subject to the provisions of section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and other applicable laws (including any statutory modification or re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the company and Listing Agreement entered into by the company with the stock exchanges where the shares of the company are listed, the subsisting rules, regulations, guidelines and clarifications issued by the Securities and Exchange Board of India (SEBI) or any other relevant authorities and further subject to approvals of all other concerned institutions and authorities, if any, to the extent necessary, and such other approvals, permissions and sanctions, as may be necessary, and subject to the conditions and modifications as may be imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the company (hereinafter referred to as the 'Board') and/or any duly authorised committee thereof for the time being exercising the powers conferred by the Board in that behalf, consent and approval be and same are hereby accorded to the Board to issue/offer and allot up to 77,200 warrants of Rs.29 each, convertible, at the option of the warrant holders within the aggregate period of 18 months from the date of allotment of the warrants into 77,200 Equity shares of Rs. 10/- each at a premium of Rs.19/- per share, as determined in accordance with the relevant Guidelines issued by the SEBI, to Mr. Milan R. Parekh promoters / directors of the Company, (hereinafter referred to as 'promoters'), on preferential basis, subject to the following:

- a. the Warrants and the equity shares to be offered and allotted upon conversion shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- b. the 'relevant date' within the meaning of the Regulation 71 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, for the purpose of determination of applicable price for the issue of above mentioned warrants and equity shares arising out of their conversion is 30.8.2010.
- c. the equity shares to be allotted on conversion of the Warrants shall rank pari passu with the existing equity shares of the Company in all respects.
- d. the said 77,200 warrants to be issued to the promoters would qualify for conversion in the following manner, into equivalent number of equity shares of Rs. 10/- each at a premium of Rs. 19 per share in one or more tranches, however, subject to the condition that no conversion of warrants issued under the sanction of this resolution shall be admissible after a period of 18 months from the date of allotment.
 - i. the conversion of 77,200 warrants into equity shares shall be exercised after the current financial year ending on 31st March, 2011 but before the completion of 18 months from the date of allotment.
- e. an amount equal to minimum 25% of the price fixed Regulation 71 read with Regulation 76 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, in relation to each of the warrant shall be paid upfront by the promoters at the time of allotment of the warrants and the same shall be adjusted against the price payable for the subsequent allotment of equity shares, as and when made, against the warrants. Further in the event the option of conversion of warrants into equity shares is not exercised by the warrant holders in terms of this resolution, the up front payment of minimum 25% shall be forfeited.
- f. In no case such conversion of warrants into the equity shares shall be in violation of any of the provisions of the SEBI's (Substantial Acquisition of Shares and Take over) Regulation

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, desirable or expedient as the Board or Committee thereof may deem fit."

15. To consider and, if thought fit, to pass, with or without modification, the following resolution as SPECIAL RESOLUTION:

" RESOLVED THAT in accordance with the provisions of section 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re enactment thereof, for the time being in force), of the prevailing Guidelines governing the preferential issue of shares, in the Memorandum and Articles of Association of the company and Listing Agreement entered into by the company with the stock exchanges where the shares of the company are listed and further subject to approvals of all other concerned institutions and authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary, and subject to the conditions and modifications as may be imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the company (hereinafter referred to as the 'Board') and/or any duly authorised committee thereof for the time being exercising the powers conferred by the Board in that behalf, consent and approval be and same are hereby

accorded to the Board to issue/offer 1,521,000 Equity Shares of Rs. 10/- for cash at a premium of Rs. 19 aggregating Rs. 44,109,000, as the Board in its sole discretion may at any time or time hereafter decide to the Promoters / Directors and other investors, through preferential issue for financing working capital requirement and strengthening the Depository and Broking Divisions of the company or other corporate purpose as the Board may deem fit, or otherwise in one or more tranches on such terms and conditions as the Board or Committee thereof may in its absolute discretion think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, desirable or expedient as the Board or Committee thereof may deem fit.”

Registered office:
31, Rajgir Chambers,
12/14, Sahid Bhagatsingh Road,
Mumbai - 400 001.

By order of the Board

MILAN . PAREKH

Date: 30th August, 2010

Chairman & Managing Director