

**ACTION
FINANCIAL
SERVICES
(INDIA)
LIMITED**



**Twenty First
Annual Report
2013-2014**



THE ACTION TEAM

Mr. Milan R. Parekh	- Chairman & Managing Director
Mr. Bakul R. Parekh	- Jt. Managing Director
Mr. Harbhajan Singh Dhillon	- Director
Mr. Atul A. Zatakia	- Director
Mr. Ketan H. Mehta	- Director

AUDIT

COMMITTEE

Mr. Harbhajan Singh Dhillon

Mr. Atul A. Zatakia

Mr. Ketan H. Mehta

REMUNERATION & SHAREHOLDERS

INVESTORS' GRIEVANCE COMMITTEE

Mr. Harbhajan Singh Dhillon

Mr. Atul A. Zatakia

Mr. Ketan H. Mehta

ACTION'S 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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AUDITORS	: Ford, Rhodes, Parks & Co. Chartered Accountants
BANKERS	: Bank of India, HDFC Bank Ltd., ICICI Bank Ltd.
REGISTRAR & SHARE	: M/s. Link Intime India Pvt. Ltd. TRANSFER AGENT C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai - 400 078. Tel.: 2596 3838 Fax : 2567 2693
REGISTERED OFFICE & BROKING DIVISION & SECURITIES BANKING CELL (Depository Participant of NSDL)	: 46/47 6th Floor, Rajgir Chambers, 12/14, Shahid Bhagatsingh Rd, Fort, Mumbai- 400 023. Tel. 4365 4444 Fax: 4365 44 47 Email ID : actionfin@actionfin.com Website : www.actionfin.com
BRANCH WITH BSE & NSE TERMINALS	: Mumbai (Fort, Matunga, Borivali), Bokaro, Dharmavaram, Dhanbad & Valsad
DEPOSITORY BRANCHES	: Mumbai (Fort), Ahmedabad, Bokaro & Kakinada
LISTED AT	: Bombay Stock Exchange
Company's Vision	: <i>To Provide World Class Services to all Our investors within the shortest possible time in a pleasant experience</i>
Company's Mission	: <i>To develop creative and innovative means of investment for benefit of institutions and individuals, within the regulatory framework. To support investors financial growth by providing them best advisory services of all modes & methods of investments which is most relevant, reliable and accurate and thus contribute in overall growth of society. To care for customers by being fair and to share a mutually beneficial relationship.</i>

NOTICE

NOTICE is hereby given that the Twenty-First Annual General Meeting of the Members of Action Financial Services (India) Limited (CIN: L65944MH1992PLC068879) will be held at 2A, 2B & 2C 1st floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, opp. old Custom House, Fort Mumbai-400023 on 25th September, 2014 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1.	To receive, consider and adopt the Financial Statements as at 31st March, 2014 together with the Directors' Report and Auditors' Report thereon.
2.	To appoint a Director in place of Mr. Bakul Parekh, (DIN No.: 00108609) who retires by rotation, and being eligible offers himself for re-appointment.
3.	To appoint Auditors and to fix their remuneration
	To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution .
	"RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s Ford, Rhodes, Parks & Co. (Firm Registration No.102860W) the Chartered Accountants, Mumbai, be and are hereby re- appointed as the Auditors of the Company to hold office for the period of three (3) years from the conclusion of this meeting until the conclusion of the Twenty Fourth Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) at a remuneration as may be decided by the Chairman."
SPECIAL BUSINESS:	
4.	Appointment of Mr. Atul Anoopchand Zatakia, (DIN No.: 00588390) as the Independent Director.
	To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution .
	"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Atul Anoopchand Zatakia, (DIN No.: 00588390), be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) y e a r s

	w.e.f 01.04.2014 to 31.03.2019, not liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director,”
5.	Appointment of Mr. Ketan Himmatlal Mehta, (DIN No.: 02903954) as the Independent Director.
	To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution .
	“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ketan Himmatlal Mehta, (DIN No.:02903954), be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) years w.e.f 01.04.2014 to 31.03.2019, not liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director,”
6.	Appointment of Mr. Harbhajan Singh J Dhillon, (DIN No.: 05322003) as the Independent Director.
	To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution .
	“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re- enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Harbhajan Singh J Dhillon, (DIN No.: 05322003), be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) years w.e.f 01.04.2014 to 31.03.2019, not liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director,”
7.	To consider and if thought fit, to pass with or without modifications the following resolution as a special resolution :
	“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and any other applicable provisions thereof and the Articles of Association of the Company, consent of the members

be and is hereby accorded to the Board of Directors of the Company to borrow moneys by way of loans, debentures, or otherwise from time to time for the purpose of the business of the Company upon such terms and conditions and with or without mortgaging or charging undertakings, assets and properties, whether movable or immovable, stock-in-trade, work-in-process, debtors or any part thereof of the Company as security, as the Board of Directors may in its absolute discretion deem fit even if the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves (i.e. reserves not set apart for any specific purpose) of the Company provided however that the total amount up to which moneys may be borrowed by the Company shall not exceed Rs. 25,00,00,000/- (Rupees twenty-five crores only) over and above the aggregate of the paid up capital and free reserves of the Company and shall exclude all temporary loans obtained by the Company from its bankers in the ordinary course of its business."

Registered office:
46 & 47, 6th floor, Rajgir chambers,
12/14, Shahid Bhagat Singh Road,
opp. old Custom House,
Fort Mumbai-400023.
Date: 08.08.2014

by order of the Board

sd/-

(CS Archana Andhare)
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.

Pursuant to provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the company may appoint single person as proxy who shall not act as proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of aforementioned business is attached.
3. The register of members and the share transfer books of the Company will remain closed from 22nd September, 2014 to 25th September, 2014 (both days inclusive).
4. The Members whose names appear in the Register of Members/list of Beneficial Owners as received from Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) on 22nd August, 2014 are entitled to vote by Ballot Paper attending Annual General Meeting in person(s) on the resolutions set forth in this Notice.

5. Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the general meeting.
- II. The Members whose names appear in the Register of Members/list of Beneficial Owners as received from Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) on 22nd August, 2014 are entitled to vote on the resolutions set forth in this Notice. The Voting period will commence on Friday,

19th September, 2014 at 9:00 am and will end on Sunday, 21st September, 2014 at 6:00 p.m.

III. The instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website www.evotingindia.com.
- iii) Click on "Shareholders" tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- v) Now, fill up the following details in the appropriate boxes:

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

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

“Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - (D) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- IV. The voting period begins at on Friday, 19th September, 2014 at 9:00 am and will end on Sunday, 21st September, 2014 at 6:00 p.m. During this