

**ACTION
FINANCIAL
SERVICES
(INDIA)
LIMITED**



**Twenty Third
Annual Report
2015-2016**



| THE ACTION TEAM | |
|--|--|
| Mr. Milan R. Parekh | : Chairman & Managing Director |
| Mr. Bakul R. Parekh | : Jt. Managing Director & CFO |
| Mr. Harbhajan Singh Dhillon | : Independent Director |
| Mr. Ketan H. Mehta | : Independent Director |
| Mrs. Parul Doshi | : Independent Director |
| AUDIT COMMITTEE | STAKEHOLDERS RELATIONSHIP COMMITTEE |
| Mr. Ketan H. Mehta (Chairman) | Mr. Harbhajan Singh Dhillon |
| Mr. Harbhajan Singh Dhillon | Mr. Ketan H. Mehta |
| Mrs. Parul Doshi | Mrs. Parul Doshi |
| NOMINATION & REMUNERATION COMMITTEE | RISK MANAGEMENT COMMITTEE |
| Mr. Harbhajan Singh Dhillon (Chairman) | Mr. Milan Parekh (Chairman) |
| Mr. Ketan H. Mehta | Mr. Harbhajan Singh Dhillon |
| Mrs. Parul Doshi | Mr. Abhishek Kataria |
| Mr. Milan Parekh | |

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| Take up one idea. Make that one idea your life - think of it, dream of it, live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea, and just leave every other idea alone. This is the way to success. | Notice | 2 |
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| All of us, in a sense, struggle continuously all the time, because we never get what we want. The important thing which is how do you not give up, because you never succeed in the first attempt. | Management Discussion & Analysis | 44 |
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| AUDITORS | : Ford Rhodes Parks & Co.LLP Chartered Accountants |
| BANKERS | : Bank of India, HDFC Bank Ltd., ICICI Bank Ltd, Axis Bank, Allahabad Bank, Yes Bank. |
| 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 | : 46/47 6 th Floor, Rajgir Chambers, 12/14, Shahid Bhagat Singh Rd, Fort, Mumbai- 400 023. Tel. 4365 4444 Fax: 43654447 Email ID: actionfin@actionfin.com Website: www.actionfin.com |
| BROKING DIVISION & SECURITIES BANKING CELL (Depository Participant of NSDL) | : 11/15 2 nd floor Rajgir Chambers, 12/14, Shahid Bhagat Singh Rd, Fort, Mumbai- 400 023. Tel. 4365 4444 Fax: 43654447 Email ID: actionfin@actionfin.com Website: www.actionfin.com |
| BRANCH WITH BSE & NSE TERMINALS | : Mumbai (Fort, Matunga, Borivali), Bokaro, Dharmavaram, Dhanbad |
| 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> |

Action Financial Services (India) Limited

NOTICE

NOTICE is hereby given that the **Twenty-Third** Annual General Meeting of the Members of **Action Financial Services (India) Limited (CIN: L65944MH1992PLC068879)** will be held at 11-15, 2nd floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, opp. old Custom House, Fort Mumbai-400023 on Thursday, **29th September, 2016** at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

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| 1. | To receive, consider and adopt the Financial Statements as at 31 st March, 2016 together with the Directors' Report and Auditors' Report thereon. |
| 2. | To appoint a Director in place of Mr. Bakul Parekh, who retires by rotation, and being eligible offers himself for re-appointment. |
| 3. | To ratification of appointment of Auditors and to fix their remuneration |
| | RESOLVED THAT pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, and pursuant to the resolution passed at the Annual General Meeting held on 25th September, 2014, the appointment of M/s Ford Rhodes Parks & Co. (Firm Registration No.102860W), Chartered Accountants, Mumbai, was made as Auditors of the Company till the conclusion of Twenty Fourth Annual General Meeting , the appointment be and is hereby ratified from the conclusion of this Annual General Meeting to till conclusion of next Annual General Meeting and the Chairman of the Company be and is hereby authorized to fix the remuneration payable to them in consultation of auditors. |

SPECIAL BUSINESS:

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| 4. | To Approve the Re-appointment of Mr. Milan R. Parekh, (DIN No.: 00108368) as the Managing 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 Section 196, 197 and other applicable provisions of the Companies Act, 2013, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the approval of members be and is hereby given for the re-appointment of Mr. Milan R. Parekh, (DIN No.: 00108368) as Managing Director of the Company for a period of 3 (Three) years effective from 1st October, 2015 to 30th September, 2018, on the terms and conditions including remuneration |

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| | <p>as set out herein below and as set out in Memorandum of Understanding:</p> <p>Remuneration:- Not exceeding Rs.1,75,000/- per month with annual increment not exceeding 25% as the Chairman of Nomination and Remuneration committee may decide .</p> <p>Perquisites: - The appointee shall be entitled for following perquisites as per Company's policies and the following perquisites which is not be included in computation of ceiling on remuneration specified in section II of Part II of Schedule V:</p> <p>(a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);</p> <p>(b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and</p> <p>(c) encashment of leave at the end of the tenure</p> <p>RESOLVED FURTHER THAT notwithstanding anything contained herein above, in any financial year, the remuneration payable to the appointee shall be within the limits stated in sub Section II (A) of the Part II of the Schedule V to the Companies Act, 2013, as may be amended from time to time.</p> <p>RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary any or all of the terms and conditions as approved vide this resolution as may be deemed fit or expedient or proper from time to time which may have the effect of increasing the remuneration or perquisites or benefits and for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in the best interest of the Company.</p> |
| 5 | <p>To Approve the Re-appointment of Mr. Bakul R. Parekh, (DIN No.: 00108609) as the Jt. Managing Director.</p> |
| | <p>To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution.</p> |
| | <p>"RESOLVED THAT pursuant to Section 196, 197 and other applicable provisions of the Companies Act, 2013, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the approval of members be and is hereby given for the re-appointment of Mr. Bakul R.</p> |

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Parekh, (DIN No.: 00108609) as Jt. Managing Director of the Company for a period of 3 (Three) years effective from 1st October, 2015 to 30th September, 2018, on the terms and conditions including remuneration as set out herein below and as set out in Memorandum of Understanding:

Remuneration:- Not exceeding Rs.1,75,000/- per month with annual increment not exceeding 25% as the Chairman of Nomination and Remuneration committee may decide .

Perquisites: - The appointee shall be entitled for following perquisites as per Company's policies and the following perquisites which is not be included in computation of ceiling on remuneration specified in section II of Part II of Schedule V:

(a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);

(b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and

(c) encashment of leave at the end of the tenure

RESOLVED FURTHER THAT notwithstanding anything contained herein above, in any financial year, the remuneration payable to the appointee shall be within the limits stated in sub Section II (A) of the Part II of the Schedule V to the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary any or all of the terms and conditions as approved vide this resolution as may be deemed fit or expedient or proper from time to time which may have the effect of increasing the remuneration or perquisites or benefits and for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in the best interest of the Company.

By order of the Board

Registered Office:

46 & 47, 6th floor, Rajgir Chambers,
12/14, Shahid Bhagat Singh Road,
Opp. Old Custom House,
Fort, Mumbai-400023.

CS Jayantilal Suthar
(Company Secretary)
FCS-8779

Date: 1st September, 2016

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 **19th September, 2016 to 23rd September, 2016** (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 **23rd September, 2016 (Cut-off Date)** are entitled to vote by remote e-voting and 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, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulation, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-Voting Services. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate remote e-voting. The remote e-voting is optional and members shall have the option to vote either through remote e-voting or in person at the AGM.

- II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. 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 **23rd September, 2016 (Cut-off Date)** are entitled to vote on the resolutions set forth in this Notice. The Voting period will commence on **Monday, 26th September, 2016 at 9:00 a.m. and will end on Wednesday, 28th September, 2016 at 5:00 p.m.**

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

- (i) The voting period begins on Monday, 26th September, 2016 at 9:00 a.m. and will end on Wednesday, 28th September, 2016 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on **the cut-off date 23rd September, 2016 (Cut-off Date)** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iii) Click on Shareholders.
- (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 | <ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <ul style="list-style-type: none"> • Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on “SUBMIT” tab.

- (ix) Members holding shares in physical form will then directly reach 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”

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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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xx) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- V. The Company has appointed CS Monali Patel, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting process and at AGM voting by ballot paper in fair and transparent manner.
- VI. A copy of this notice has been placed on the website of the Company and the website of CDSL.