

**ACTION
FINANCIAL
SERVICES
(INDIA)
LIMITED**



**Twenty Fourth
Annual Report
2016-2017**



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

Mr. Ketan H. Mehta (Chairman)
Mr. Harbhajan Singh Dhillon
Mrs. Parul Doshi

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Harbhajan Singh Dhillon (Chairman)
Mr. Ketan H. Mehta
Mrs. Parul Doshi

NOMINATION & REMUNERATION COMMITTEE

Mr. Harbhajan Singh Dhillon (Chairman)
Mr. Ketan H. Mehta
Mrs. Parul Doshi

RISK MANAGEMENT COMMITTEE

Mr. Milan Parekh
Mr. Harbhajan Singh Dhillon
Mr. Abhishek Kataria

ACTION'S BELIEF	CONTENTS	Pages
"Great things in business are never done by one person. They're done by a team of people." - Steve Jobs ***	Notice	2
"Strive not to be a success, but rather to be of value." - Albert Einstein ***	Director's Report	8
"To be successful, you have to have your heart in your business, and your business in your heart." - Thomas Watson	Secretarial Audit Report	20
	Management Discussion & Analysis	42
	Corporate Governance Report	43
	Auditor's Report	59
	Balance Sheet	68
	Profit & Loss Account	69
	Cash Flow Account	70
	Notes	71
	Statement Related to Subsidiary Company ASL	100
	Statement Related to Subsidiary Company ACL	136
	Consolidated Accounts	175
	Attendance Slip	209
	Proxy Form	211

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 TRANSFER AGENT	: M/s. Link Intime India Pvt. Ltd. C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 Phone: 4918 6000 Fax: 4918 6060
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>

NOTICE

NOTICE is hereby given that the **Twenty-Fourth** 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 Friday, **29th September, 2017** 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, 2017 together with the Directors' Report and Auditors' Report thereon.
2.	To appoint a Director in place of Mr. Milan Parekh, who retires by rotation, and being eligible offers himself for re-appointment.
3.	To appoint 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 thereunder, M/s Ambavat Jain & Associates LLP (Firm Registration No. 109681W) the Chartered Accountants, Mumbai, be and are hereby appointed as the Auditors of the Company, in place of M/s Ford, Rhodes, Parks & Co. (Firm Registration No.102860W), Chartered Accountants, whose term as Auditor is expiring in the conclusion of Twenty Fourth Annual General Meeting , to hold office for the period of five (5) years from the conclusion of this meeting until the conclusion of the Twenty Ninth Annual General Meeting of the Company to be held in F.Y. 2022-23 (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

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: 26th August, 2017

NOTICE

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. The register of members and the share transfer books of the Company will remain closed from **Monday, 18th September, 2017 to Friday, 22nd September, 2017** (both days inclusive).
3. 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 **Saturday, 23rd September, 2017** (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.

4. **Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members the 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 e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote/s by remote e-voting shall be able to exercise their right at

the meeting through ballot paper.

III. The members who have cast their vote/s by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote/s again.

IV. The remote e-voting period commences on **Tuesday, 26th September, 2017 at 9:00 a.m. and will end on Thursday, 28th September, 2017 at 5:00 p.m.** During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of Saturday, 23rd September, 2017 (Cut-off Date)**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. **The process and manner for remote e-voting are as under:**

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put your user ID and password. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Name of the company".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on

“Submit” and also “Confirm” when prompted.

- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to jppvapi13@yahoo.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
---	-----------------------	----------------------------

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the

paid up equity share capital of the Company as on the **cut-off date of Saturday, 23rd September, 2017.**

- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Saturday, 23rd September, 2017**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using **“Forgot User Details/Password?”** or **“Physical User Reset Password?”** option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. The Company has appointed **CS Ronak Kalathiya failing which, CS Monali Patel of Jagdish Patel & Co., Company Secretaries**, as the Scrutinizer for conducting the remote e-voting process and at AGM voting by ballot paper in fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

5. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days except Saturday & Sunday, up to and at the Annual General Meeting of the Company.
6. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
9. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
10. Additional information, pursuant to Regulation 36(6) of SEBI (LODR) Regulation, 2015, in respect of the appointment or re-appointment of the Director at the AGM as furnished below about brief Profile of Director being Appointed / Re-appointed:

Name	Mr. Milan Parekh
DIN	00108368
Age	59
Date of Appointment	01.10.1992
Qualification and Experience	B.Com. and experience in company's business for more than 2 decade.
Other Directorships	a. Action Securities Limited b. Action Commodities Limited
No. of shares held.	2679056
Relationship with any Director(s) of the Company	Mr. Bakul Parekh, Jt. Managing Director of the Company.

Registered Office:

46 & 47, 6th floor, Rajgir Chambers,
12/14, Shahid Bhagat Singh Road,
Opp. Old Custom House,
Fort, Mumbai-400023.
Date: 26th August, 2017

By order of the Board

CS Jayantilal Suthar
(Company Secretary)
FCS-8779

DIRECTORS' REPORT

To,
The Members,
Action Financial Services (India) Limited,

Dear **Shareholders,**

The Directors have pleasure in presenting the **24th Board's Report** of your Company together with the Audited Financial Statements of your company for the financial year ended, **31st March, 2017.**

FINANCIAL RESULTS

(in Rs.)

Particulars	Consolidated		Standalone	
	Financial Year 2016-17	Previous Year 2015-16	Financial Year 2016-17	Previous Year 2015-16
Gross Income	40,799,189	36,424,001	40,796,797	36,539,226
Profit Before Interest and Depreciation	8,839,756	6,945,799	8,596,998	6,583,208
Finance Charges	6,532,897	5,229,689	6,532,897	5,229,689
Gross Profit	2,306,860	1,716,110	2,064,101	1,353,519
Provision for Depreciation	4,022,172	4,433,577	4,014,172	4,425,577
Net Profit Before Tax	(1,715,312)	(2,717,467)	(1,950,071)	3,072,058
Provision for Tax				
- Deferred Tax	(984,710)	(3,160,212)	(1,063,653)	(3,031,825)
- Current Tax	20,000	34,000	-	-
- Earlier Tax	(22,528)	-	-	-
Net Profit After Tax	(728,074)	408,745	(886,418)	(40,233)
Balance of Profit brought forward	-	-	-	-
Balance available for appropriation	(728,074)	408,745	(886,418)	(40,233)
Proposed Dividend on Equity Shares	-	-	-	-
Tax on proposed Dividend	-	-	-	-
Transfer to General Reserve	-	-	-	-
Surplus carried to Balance Sheet	(728,074)	408,745	(886,418)	(40,233)