

**ACTION
FINANCIAL
SERVICES
(INDIA)
LIMITED**



**Twenty Second
Annual Report
2014-2015**



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 (Chairman)
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		

ACTION'S BELIEF

Difficulties in your life do not come to destroy you, but to help you realise your hidden potential and power, Let the difficulties know that you too are Difficult.

Look at the sky. We are not alone. The whole Universe is friendly to us and Conspires only to give The Best to those who Dream and Work.

Dr. A.P.J. Abdul Kalam

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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
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-Second 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 Tuesday, 29th September, 2015 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, 2015 together with the Directors' Report and Auditors' Report thereon.
2.	To appoint a Director in place of Mr. Milan Parekh, (DIN No.: 00108368) 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, as Auditors of the Company till the conclusion of Twenty Fourth Annual General Meeting 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:

4.	Appointment of Mrs. Parul Bhavesh Doshi, (DIN No.: 07129363) 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, Mrs. Parul Bhavesh Doshi, (DIN No.: 07129363),

	be and is hereby appointed as an Independent Woman Director of the Company to hold office for 5 (Five) years w.e.f 20.3.2015, 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 her candidature for the office of Director,"
5.	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 14 and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Schedule I of the said Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of Articles of Association be and is hereby approved and adopted in substitution and to the entire exclusion, of the existing Articles of Association of the Company; RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this Resolution."

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.

Date: 13th August, 2015

CS Jayantilal Suthar
(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 23rd September, 2015 to 29th September, 2015 (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 September, 2015 (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 Clause 35B of the Listing Agreement, 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 22nd September, 2015 (Cut-off Date) are entitled to vote on the resolutions set forth in this Notice. The Voting period will commence on Saturday, 26th September, 2015 at 9:00 am and will end on Monday, 28th September, 2015 at 5:00 p.m.
- IV. The instructions for members for voting electronically are as under:-

(A)

- (i) The voting period begins on Saturday, 26th September, 2015 at 9:00 am and ends on Monday, 28th September, 2015 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 (record date) of 22nd September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

Action Financial Services (India) Limited

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">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)	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. <ul style="list-style-type: none">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 (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
-

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (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.
- (B) 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. In case of members receiving the physical copy of Notice of General Meeting [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:
- I. Initial password is provided as below at the bottom of the Attendance Slip for the AGM.

EVEN (EVoting Event Number)	USER ID	PASSWORD/PIN

- II. Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
- V. 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.
- VI. The remote e-voting period begins at on Saturday, 26th September, 2015 at 9:00 am and will end on Monday, 28th September, 2015 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 of 22nd September, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (C) In case you have any queries or issues regarding remote 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.
- VII. The Company has appointed CS Jagdish P. 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.
- VIII. A copy of this notice has been placed on the website of the Company and the website of CDSL.
6. All documents referred to in the accompanying Notice and the Explanatory Statement 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.
7. 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.

8. 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.
9. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
10. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
11. Brief Profile of Director being Appointed / Re-appointed:

Name	Mr. Milan Parekh	Mrs. Parul Bhavesh Doshi
DIN	00108368	07129363
Age	56	54
Date of Appointment	01.10.1992	20.03.2015
Qualification	B.Com.	B.Com.
Other Directorships	1. Action Securities Limited 2. Action Commodities Limited	NIL
No. of shares held.	2679056	NIL
Relationship with any Director(s) of the Company	He is related to Jt. Managing Director & CFO of the Company.	She is not related to any Director or Key Managerial Personnel of the Company

Registered office:

By order of the Board

46 & 47, 6th Floor, Rajgir Chambers,
12/14, Shahid Bhagat Singh Road,
Opp. Old Custom House,
Fort, Mumbai - 400023.
Date: 13th August, 2015

CS Jayantilal Suthar
(Company Secretary)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE
COMPANIES ACT, 2013

Item No. 4:

The appointment of Mrs. Parul Bhavesh Doshi was made by the Board of Director in its meeting held on 20.03.2015, as an Independent Woman Director. She is considered an Independent Woman Director pursuant to provisions of the Listing Agreement with the Stock Exchange. She has given a declaration that she fulfils and complies with all the conditions specified in the Companies Act, 2013, Rules and Listing Agreement, for her eligibility to be appointed as an Independent Woman Director at the ensuing Annual General Meeting. The Board of Directors are also of the opinion that Mrs. Parul Bhavesh Doshi fulfils all the conditions specified in the Companies Act, 2013 and is recommended to be appointed as an Independent Woman Director of the Company.

Mrs. Parul Bhavesh Doshi, aged about 54 years, is a B.com. and has about 2 years' experience in the field of Financial Services. She is a member of the following Committees of the Board of Directors of the Company.

1. Audit Committee- Member
2. Nomination and Remuneration Committee- Member
3. Stakeholders Relationship Committee- Member

She is not holding any share of the Company and has no pecuniary relationship with the Company or its subsidiary or associate Company. She is not related to any Director or Key Managerial Personnel of the Company.

The Board of Directors recommends the appointment of Mrs. Parul Bhavesh Doshi as an Independent Woman Director of the Company as set out at item no. 4 of the Notice for your approval.

Other than Mrs. Parul Bhavesh Doshi and her relatives, no Promoters, Directors, Key Managerial Personnel or their relatives is concerned or interested in the resolution.

Item No. 5

The Articles of Association (AOA) of the Company as currently in force was originally adopted as per the provisions of the Companies Act, 1956 and further amendments were adopted pursuant to the provision under the Companies Act, 1956, from time to time. The existing AoA is based on the provisions contained in the Companies Act, 1956 and therefore contains references to specific sections of the Companies Act, 1956.

In view of the implementation of the Companies Act, 2013 together with various Schedules thereto and the Rules framed thereunder, in replacement of the Companies Act, 1956, several regulations of the existing AoA of the Company require alteration, additions or deletions. Therefore it is considered expedient to fully replace the existing AoA of the Company with the new set of Articles, with a view to bring the Articles in consonance with the notified provisions of the Companies Act, 2013 and Rules made thereunder.

A copy of the aforesaid draft AoA would be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and a copy thereof will also be available at the meeting venue for inspection by the Members.

The proposed set of AoA of the Company is aligned to the new Companies Act, 2013 and will therefore help in smooth transitioning and management of the Company as per the Companies Act, 2013 and other applicable law.

The Board, therefore, recommends the Special Resolution set out at item no. 5 of the Notice for your approval.

None of the Directors/Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise in the Resolution, except to the extent of their respective shareholding in the Company

Registered office:
46 & 47, 6th Floor, Rajgir chambers,
12/14, Shahid Bhagat Singh Road,
Opp. Old Custom House,
Fort, Mumbai - 400023.
Date: 13th August, 2015

By order of the Board

CS Jayantilal Suthar
(Company Secretary)

DIRECTORS' REPORT

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

Dear Sir/Madam

The Directors have pleasure in presenting the 22nd Annual Report together with the Audited Financial Statement for the year ended on 31st March, 2015.

FINANCIAL RESULTS

	Consolidated		Standalone	
	Year ended 31.3.2015	Year ended 31.3.2014	Year ended 31.3.2015	Year ended 31.3.2014
Revenue from operations & other Income	36,886,665	43,583,390	36,954,021	4,37,03,207
Profit (Loss) before Interest & Depreciation	6,396,475	4,071,268	6,662,439	37,32,540
Less: Interest	4991441	59,98,567	4,991,441	59,98,567
Less: Depreciation	4,403,953	3,833,230	4,401,980	38,16,506
Profit (Loss) After Depreciation & before Tax	(2,998,919)	(5,760,529)	(2,730,982)	(60,82,533)
Exceptional Item	5,696,734	63,94,442	5,696,734	63,94,442
Profit before Tax	2,697,815	633,913	2,965,752	3,11,909
- Taxation Current Year	100,000	390,600	100,000	3,20,000
- Deferred Tax	567,234	(886,805)	653,188	(6,06,493)
Profit /(Loss) after tax	2,030,581	1,130,118	2,212,564	5,98,402

FUTURE OUTLOOK & EXPANSION PLAN:

The company is focused on building a long term stable business with emphasis on retail business brokerage that does not rely on highly leveraged trading clients.

The actions of the new government will have a significant bearing on the pace of policy reforms, improvement in investment climate and on the public market sentiments. Stability in global markets and sustained demand from the industrialized nations are also imperative for the growth playing out along expected lines.

With the launch of our most innovative product, '1 Paise brokerage per executed order' in capital market, your Company has commenced its journey to create wonders in conducting business and change the overall views of broking industry.

To make this a super success and break the myth of how stock brokers operate, we want to go few steps ahead. Our roadmap is ready with lot of ideas and we are all set to achieve our goals. We have set of targets to be achieved & to accelerate the growth Company is looking out for fresh Investments.

Our subsidiary Company, Action Commodities Limited, became one of the first Company all over India, to get the approval from Insurance Regulatory Development Authority (IRDA) to dematerialize all insurance policies of all policy holders including individuals, firms and corporate. This will create additional client base for the Company and will also help generate additional revenue for the Company.

DIVIDEND

The Company does not recommend any dividend on Cumulative Redeemable Preference Shares and Equity Shares for the year ended 31st March, 2015.

TRANSFER TO RESERVE

The Company did not transfer any amount to reserve this year.

SHARE CAPITAL

The paid up Share Capital of the company as on 31st March, 2015 was Rs. 133,325,000. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES COMPANIES AND JOINT VENTURES:

As on March 31st, 2015, the Company had two Indian wholly owned non material subsidiaries. There has been no change in the number of subsidiaries or in the nature of business of the subsidiaries, during the year under review. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies is also included in the Annual Report.

There is no new incorporation or Cessation of any Company as a subsidiary, associate company or joint venture during the year.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

CONSOLIDATED RESULTS:

The audited Standalone and consolidated Financial Statements of the Company along with its subsidiary companies are attached herewith and form part of this annual report. These have been prepared in accordance with the provisions of the Companies Act, 2013, the Listing Agreement, the Accounting Standard 21 (AS-21) on Consolidated Financial Statements and Accounting Standard 23-(AS-23) on Accounting for Investments in Associates in Consolidated Financial Statements based on Audited Financial Results for the year ended 31st March, 2015.

The statement containing the salient feature of the financial statement of a company's subsidiaries under the first proviso to sub-section (3) of section 129 set out as "Annexure A" in Form AOC-1.

FINANCIAL PERFORMANCE

This year witnessed huge volatility and further due to political instability led the client base grows at sluggish rate. As we have launched one paisa brokerage scheme which brought down our brokerage income to great extent as many of the active clients moved into this scheme, so there is a fall in the brokerage income.

The primordial focus of the Company has been on raising fresh funds, in an increasingly difficult economic environment. The economic slowdown, poor dollar returns on the back of significant currency devaluation, and policy inaction have prompted most investors to await changes in government before relooking at India as an investment option.

OVERVIEW:

With the stable government and optimistic sentiments of FII and retail investors, there are lot of opportunities in the market to build wealth and expand. However, being a broking company, its opportunities and threat would be more specific to the ones, which apply to the companies operating in the capital market as brokers. But as it is known a healthy competition is always good for the industry we expect various new sources of revenues in coming future from financial and capital markets.

REVIEW OF BUSINESS DIVISIONS:

Broking Division and Depository Division:

Our Services under the Broking Business comprising of Equity, Currency & Derivatives Services, we offer retail and Institutional broking services in Equity to a large institutional and retail clientele in India and also offer retail broking services in currency segment.

Action offers personalized services and complete transaction support through our website to our client for investment in primary market through

Mutual fund and IPO's. Action offers platform for trading in Equity Market in BSE, NSE for cash, Derivatives & currency segment of the Exchange. Action offers mobile trading facility to the clients.

Company has completed 18 years as a Depository Participant. Company is holding approximately Rs. 2,045.99 Crores worth stock on behalf of clients as on 31st March, 2015. Company is registered with NSDL for Internet based IDeAS facility for the convenience of the Investor to enable them to view latest holding with valuation as well as transactions.

Company also has its own website through which client can view their holding, transaction and ledger balances. Company has introduced various tariff Schemes for clients as per their requirement & convenience.

As a result, of flexible working hours, experienced staff, timely information to clients regarding failure of instructions, acceptance of last minute Pay-In instructions, less processing time, Low cost etc. Clients of other Brokers also prefer to open their Demat Accounts with us. Key areas of service are retail clientele, clearing members and promoters of various companies.

DP Division caters to 29 clearing Members Pool Account and maintains 40 Promoters Accounts.

Mobile Application Facility

We are pleased to inform you that our Share Transfer Agent (STA) Link Intime India Pvt (LIPL) Ltd has launched a new mobile application namely "blinkInsta". This mobile application is exclusively designed for all such investors who have invested in the securities where LIPL is the Share Transfer Agent.

To have this facility on your mobile phone; you need to download "blinkInsta" via "Play-store" for all android base phones and via "App-Store" on all I-phones which are free of cost to the investors. Once you download the application on your mobile phone the same will prompt you toward the simple registration process for KYC. This is very useful application which will enable you with lot of relevant information such as dividend/interest payments, forthcoming AGMs etc.

DEPOSITORY SYSTEM

As the Members are aware, your Company's share are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories, i.e. National Securities Depository Limited and Central Depository Services (India) Limited. In view of the numerous advantages offered by the Depository system, members are requested to avail the facility of dematerialisation of the Company's shares on either of the Depositories as aforesaid.

Action Financial Services (India) Limited

FINANCE

The Company has availed credit facilities from Bank of India. The performance of the last two years has led to significance liquidity pressure in the long term sources.

DEPOSITS

Your Company has not accepted any deposits in terms of the provisions of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 as amended, during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the current financial year the following changes have occurred in the constitution of directors of the company:

S.No	Name	Designation	Date of appointment	Date of cessation	Mode of Cessation
1.	Mr. Atul A. Zatakia	Director	29.01.2010	12.11.2014	Resignation
2.	Mrs. Archana Andhare	Company Secretary	01.01.2014	30.09.2014	Resignation
3.	Mr. Jayantilal Suthar	Company Secretary	01.10.2014	-	
4.	Mr. Keyur Doshi	Chief Financial Officer	08.08.2014	30.01. 2015	Resignation
5.	Mr Bakul R. Parekh	Chief Financial Officer	12.02.2015	-	
6.	Mrs. Parul Doshi	Additional Director	20.03.2015	-	

Further, In accordance with the requirements of the Companies Act 2013, Mr. Milan R. Parekh (DIN: 00108368) will retire by rotation being eligible, has offered himself for re-appointment.

BOARD INDEPENDENCE

In terms of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges and based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013:-

- a) Mr. Ketan Mehta
- b) Mr. Harbhjan Singh Dhillon
- c) Mrs. Parul Doshi

ANNUAL EVALUATION BY THE BOARD

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings
- ii. Quality of contribution to Board deliberations
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance

iv. Providing perspectives and feedback going beyond information provided by the management

v. Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her.

DIRECTOR RESPONSIBILITY STATEMENT

The Directors Responsibility Statement referred to in clause (c) of sub section (3) of section 134 of Companies Act, 2013 shall State that;

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF MEETING OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Mumbai. The Agenda of the Board / Committee

Action Financial Services (India) Limited

meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met nine times in financial year 2014-2015 and the maximum interval between any two meetings did not exceed 120 days as follows;

1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
12.05.2014	08.08.2014	12.11.2014	12.02.2015
30.05.2014	05.09.2014		20.03.2015
12.06.2014	30.09.2014		

Further, in terms of Schedule IV of the Companies Act, 2013, the Separate meeting of the Independent Directors held on March 20, 2015 and all Independent Directors were presented without attendance of non-Independent Directors of the Company .

COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees and also formed a Risk Management Committee. There are currently Four Committees of the Board, as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

AUDIT COMMITTEE:

The Board of Directors constituted an Audit Committee as per the existing clause 49 of the Listing Agreements entered into with Stock Exchanges and in terms of Section 177 of the Companies Act, 2013.

CORPORATE GOVERNANCE:

The Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is also published elsewhere in this Annual Report.

CEO & CFO CERTIFICATION

Certificate from Mr. Milan Parekh, Managing Director & CEO and Mr. Bakul Parekh, Jt. Managing Director & Chief Financial Officer, pursuant to provisions of Clause 49(IX) of the Listing Agreement, for the year under review was placed before the Board of Directors of the Company at its meeting held on 29th May, 2015.

A copy of the certificate on the financial statements for the financial year ended March 31, 2015 is annexed along with this Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is annexed to this report.

AUDITORS

M/s Ford, Rhodes, Parks & Co. (Firm Registration No.102860W), Chartered Accountants, Mumbai, were appointed as Statutory Auditors for a period of 3 years in the Annual General Meeting held on 25th September, 2014.

Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting.

The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

Further the Auditors' Report for the financial year ended, 31st March, 2015 is annexed herewith for your kind perusal and information.

DECLARATION BY INDEPENDENT DIRECTOR:

The declaration as required to affirm u/s 149(6) of the Companies Act, 2013, obtain from all Independent Directors.

INSURANCE

All the properties of your Company including Office Premises Furniture & Fixtures Office Equipments and Computer are adequately insured.

SECRETARIAL AUDIT REPORT

The Board of Directors of the Company has appointed CS. Nisha R. Nawani, Practicing Company Secretary; to conduct the Secretarial Audit and her Report on Company's Secretarial Audit is appended to this Report as Annexure B.

PARTICULARS OF REMUNERATION

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the ratio of remuneration of each director to the median employee's remuneration set out in "Annexure C" to the Directors' Report.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding foreign exchange earnings and outgo appear as separate items in the notes to the Accounts. Since the Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as required under Section 92(3) is attached in form MGT-9. Annexure D.

PARTICULAR OF LOAN, GUARANTEES & INVESTMENT

The company has not given any loan, guarantees and not made any Investment covered under the provisions of section 186 of the Companies Act, 2013.

DISCLOSURE OF RELATED PARTY TRANSACTION

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

RISK MANAGEMENT POLICY:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

INTERNAL CONTROL SYSTEM

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors.

Significant audit observations and follow up actions thereon are reported to the Audit Committee.

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on the Company's website www.actionfin.com

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board of Directors and the designated employees have confirmed compliance with the Code.

VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

ACKNOWLEDGEMENT

Your Directors would take this opportunity to express its deep appreciation for the co-operation and assistance received from the shareholders, Company's clients, suppliers, bankers and other authorities during the year under review. Your Directors also wish to place on record their appreciation for the services rendered by all the employees of your Company.

For and on Behalf of the Board

Place: Mumbai

Date: 29th May, 2015

Milan R. Parekh
Chairman & Managing Director
(DIN: 00108368)

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details	Details
1	Name of the subsidiary	Action Securities Limited	Action Commodities Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 st April 2014 to 31 st March 2015	1 st April 2014 to 31 st March 2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee (INR)	Indian Rupee (INR)
4	Share capital	5,00,000	10,00,000
5	Reserves & surplus	(3,86,320)	69,85,993
6	Total assets	5,42,776	83,22,755
7	Total Liabilities	5,42,776	83,22,755
8	Investments	-	66,08,032
9	Turnover	6,49,870	6,66,383
10	Profit before taxation	(88,126)	(1,79,812)
11	Provision for taxation (Deferred Tax)	(26,474)	59,480
12	Profit after taxation	(61,652)	(1,20,332)
13	Proposed Dividend	-	-
14	% of shareholding	100	100

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	NIL
Latest audited Balance Sheet Date	NIL
	NIL
Shares of Associate/Joint Ventures held by the company on the year end	NIL
No.	NIL
Amount of Investment in Associates/Joint Venture	NIL
Extend of Holding%	NIL
	NIL
Description of how there is significant influence	NIL
	NIL
Reason why the associate/joint venture is not consolidated	NIL
	NIL
Net worth attributable to shareholding as per latest audited Balance Sheet	NIL
	NIL
Profit/Loss for the year	NIL
Considered in Consolidation	NIL
Not Considered in Consolidation	NIL

For Action Financial Services (India) Limited

Milan R. Parekh
 Managing Director
 (DIN: 00108368)

Bakul R. Parekh
 Jt. Managing Director
 (DIN: 00108609)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to Section 204(1) of the companies Act, 2013 and rule No.9 of the companies (Appointment and Remuneration Personnel) Rule, 2014]

To,
The Members,
Action Financial Services (India) Ltd
46 & 47,6th Floor, Rajgir Chambers,12/14,
Shahid Bhagat Singh Road,
Opp.Old Custom House,
Fort, Mumbai - 400023
Maharashtra.

CIN: - L65944MH1992PLC068879

Authorised Capital: Rs.15 Crores

I have conducted the Secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Action Finance Services (India) Limited ("the Company"). The Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the minute books, forms and returns filed and other records maintained by the Company as given Annexure-I for the financial year ended on 31st March, 2015 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - (a) The company has Complied with the provision of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;
 - (b) The Company has complied with the provision of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, including the provisions with regards to disclosure and maintenance of records required under the regulations to the extent applicable;
 - (c) There were no issue of Capital which required specific compliance for the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 during the year under review;
 - (d) There were no issue under the provision of the Securities and Exchange Board of India Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 during the year under review;
 - (e) There was no Issue and Listing of Debt Securities under the provision of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 during the year under review ;
 - (f) The Company has Complied with the provisions under Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client during the year under review;

- (g) The Company has not applied under the provision of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Company has not bought its shares under the provision of The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 during the year under review;
- (vi) I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines given under Annexure-II.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. *(Not Notified during audit period)*
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE).

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above *subject to the following observations:*

1. *The forms CHG-4 in respect of Satisfaction of Charge filed after 300 days from the date of Satisfaction. Even after 300 days petition for condonation of delay application is not made, but if it is made it would be deemed compliance of process until conditions is denied. Only when denied it will be reported as non-compliance.*
2. *The Form ADT-1 in respect of Appointment of Auditor filed after 30 days from the date appointment. Where this form is filled with late fees, this should be reported as compliance by reference of payment of additional fees.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Except

1. *The Audit Committee had only two members, since Mr. Atul Zatakia, Independent Director, had resigned on 12.11.2014 up to the appointment of Mrs. Parul Doshi as on 20.3.2015.*
2. *The Nomination and Remuneration Committee had only two members, since Mr. Atul Zatakia, Independent Director, has resigned on 12.11.2014 up to the appointment of Mrs. Parul Doshi as on 20.3.2015.*

Further report that the Company has complied as to holding a separate Meeting of independent Director once in a year, as per the provisions of section of 149(7) read with rule VII of Schedule IV of the Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through unanimously and as such there is no dissenting members' views are required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. *I do not report on provisions relating to audit of accounts and financial statement of a company is dealt in the Statutory Audit, and that relating to taxation is dealt in Tax Audit and Financial Transactions, defaults in repayment of any loan and advances, interest thereon, and payment of statutory dues, if any, as the reports given by the Statutory Auditors, Tax Auditors and Internal Auditors or other designated professional.*

However, I have relied on the representation made by the Management, inter alia;

1. *The Company had contested Income Tax demand of Rs 10,130,835/- for Assessment Year 2008-09. The Company has paid Rs. 87, 51,819/-. The company has preferred an appeal in the ITAT against the CIT (A) order.*

2. *The Company had contested Income Tax Deducted at Sources of Rs 129,990/- and Rs 143,056/- for Assessment Year 2010-11 and 2011-12. The company has preferred an appeal in CIT (A).*
3. *During the year company received notice u/s 131 of the Income Tax Act -1961. The survey was carried out at the premises of the company on 13th June, 2014 and the company officials attended to the notice. No further notice has yet been received from the Income tax Department with regards to this matter.*
4. *The Company had defaulted in timely payment of Tax Deducted at Source and Advance tax during the year under review.*

I further report that during the audit period on the basis of information given by the Company and its Officers, there is no specific event or any action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.; referred to above, the adjudication, except as per the letter Issued by Securities Exchange Board of India (SEBI) on Action Financial Services (India) Ltd, Adjudication Order No. PB/AO -01/2014, providing that company has defaulted under section 15-I of Securities Exchange Board of India (SEBI) read with rule 5 of SEBI (Procedure for holding Inquiry & impose Penalty by adjudicating Officer Rules 1995). Against the Adjudication order company has filed an appeal in Securities Appellate Tribunal (SAT) by appeal no. 325 of 2014. The SAT Appeal is pending for final hearing.

NISHAR.NAWANI
Practicing Company Secretary
ACS-29193
CP-12183

Place: Mumbai
Date: 29th May, 2015

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Action Financial Services (India) Ltd
46 & 47,6th Floor, Rajgir Chambers, 12/14,
Shahid Bhagat Singh Road,
Opp.Old Custom House,
Fort, Mumbai - 400023, Maharashtra.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

(Nisha Nawani)

Date:- 29.05.2015

Place:- Mumbai

Practising Company Secretary
Membership No.29193
Certificate of PracticeNo.12183

Annexure -I

List of documents Verified

1. Memorandum of Association.
2. Articles of Association.
3. Annual Report for the financial year ended 31st March, 2014.
4. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Attendance Register for the financial year under report.
5. Minutes of Annual General Meetings held during the financial year under report.
6. Statutory Registers viz.
 - Register of Members.
 - Register of Directors & KMP.
 - Register of Directors' Shareholding.
 - Register of loans, guarantees and security and acquisition made by the Company.
 - Register of Renewed and Duplicate Share Certificate.
7. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
8. Declarations received from the all Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and declaration from all independent directors to meet the criteria of independence as stipulated 149 (6) of the Companies Act, 2013 and Clause 49 of Listing Agreement with the Stock Exchanges, for holding the position of Independent Director.
9. Intimations received from directors under the prohibition of Insider Trading Code.
10. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
11. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
12. Filings made with Reserve Bank of India.
13. Applicability of provisions of Section 188 of Companies Act, 2013 related to Related Party Transactions.
14. Orders issued by SEBI, High Courts.

Annexure -II

List of applicable laws to the Company:

1. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
2. Industries (Development & Regulation) Act, 1951
3. Acts as prescribed under Direct Tax and Indirect Tax
4. Land Revenue laws of respective States;
5. Local laws as applicable to various offices;
6. Prevention of Money Laundering Act, 2002;
7. RBI regulations on Non-Banking Financial (Non Deposit Accepting or Holding) Companies;
8. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Ratio of remuneration

- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Executive Directors	Ratio to median remuneration
Mr. Milan Parekh	40%
Mr. Bakul Parekh	40%
Non-executive Directors	
Mr. Ketan Mehta	-
Mr. Harbhajan Singh Dhillon	-
Mrs. Parul Doshi	-

- (ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Mr. Milan Parekh	-
Mr. Bakul Parekh	-
Mr. Ketan Mehta	-
Mr. Harbhajan Singh Dhillon	-
Mrs. Parul Doshi	-

- (iii) the percentage increase in the median remuneration of employees in the financial year 2015 is 9%;

- (iv) the number of permanent employees on the rolls of company are 21;

- (v) the explanation on the relationship between average increase in remuneration and company performance;

On an average, employees received an annual increase of 10 %. The individual increments varied from 7.5 % to 20 %, based on individual performance.

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Aggregate remuneration of key managerial personnel (KMP) in FY15	5,153,589
Revenue	36,954,021
Remuneration of KMPs (as % of revenue)	13.95
Profit before Tax (PBT)	2,965,752
Remuneration of KMP (as % of PBT)	174%

- (vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalisation (Rs.)	128,171,125	82,404,655	55.54%
Price Earnings Ratio	93	329	-72%

- (viii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2015	(IPO)	% Change
Market Price (BSE) (Rs.)	10.25	10	2.5%

- (ix) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

There was no Annual increment given in previous year. There was no Increase in the managerial remuneration for the previous year.

- (x) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

	Milan Parekh (Managing Director)	Bakul Parekh (Jt. Managing Director & CFO)	Jayantilal Suthar (Company Secretary)
Aggregate remuneration of key managerial personnel (KMP) in FY15 (Rs.)	2,429,574	2,421,699	246,000*
Revenue (Rs.)	3,69,54,021		
Remuneration of KMPs (as % of revenue)	6.57%	6.55%	0.006%
Profit before Tax (PBT) (Rs.)	29,65,752		
Remuneration of KMP (as % of PBT)	81.92%	81.65%	8.29%

* Salary for the Six Months Appointed w.e.f. 01.10.2015

- (xi) the key parameters for any variable component of remuneration availed by the directors -

The company is not giving any benefit to Directors other than the remuneration approved by the members of the company and there is no variation in the component of remuneration.

- (xii) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year -None of the employee of the

company receive remuneration in excess of the highest paid to the director during the year.

- (xiii) Affirmation that the remuneration is as per the remuneration policy of the company.

The Company affirms remuneration is as per the remuneration policy of the Company.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees is provided in a separate annexure forming part of this report. In terms of the provisions of Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent to the shareholders without this annexure. Shareholders interested in obtaining a copy of the annexure may write to the Company Secretary at the Company's registered office.

DECLARATION

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under the provisions of sub-clause (II) E of Clause 49 of the Listing Agreement with stock exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended March 31, 2015.

For and on Behalf of the Board

Place: Mumbai

Date: 29th May, 2015

Milan R. Parekh
Chairman & Managing Director
(DIN: 00108368)

ANNEXURE - D

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2015

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1	CIN	L65944MH1992PLC068879
2	Registration Date	01/10/1992
3	Name of the Company	ACTION FINANCIAL SERVICES (INDIA) LTD
4	Category/Sub-category of the Company	PUBLIC COMPANY/ LIMITED BY SHARES
5	Address of the Registered office & contact details	46 & 47 RAJGIR CHAMBERS, 12/14, SHAHID BHAGAT SINGH ROAD, FORT, MUMBAI, MAHARASHTRA - 400 023, INDIA. Contact: 022-43654444, 022-43654446/45/47 Email Address- actionfin@gmail.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PRIVATE LIMITED TRANSFER AGENT C- 13, PANNALAL SLIK MILLS COMPOUND, L.B.S MARG, BHAGATSINGH RD, FORT MUMBAI, MAHARASHTRA - 400 078, Tel No. : 022 - 25963838, Fax No. 022 - 25672693, E-mail : shruthi.shetty@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Securities Brokerage Services	99715210	26.67 %
2.	Processing and clearing services of securities transactions	99715230	18.38 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	ACTION SECURITIES LIMITED	U67120MH2007PLC175874	Subsidiary	100	2(87)(ii)
2.	ACTION COMMODITIES LIMITED	U65999MH2009PLC194732	Subsidiary	100	2(87)(ii)

Action Financial Services (India) Limited

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during The year
	Demat	Physical	Total Shares	% of Total	Demat	Physical	Total	% of Total Shares	
A. Promoters'									
(1) Indian									
a) Individual / HUF	4761545	0	4761545	38.08	4761545	0	4761545	38.08	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	4761545	0	4761545	38.08	4761545	0	4761545	38.08	0
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4761545	0	4761545	38.08	4761545	0	4761545	38.08	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	2500	2500	0.02	0	2500	2500	0.02	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1):-	0	2500	2500	0.02	0	2500	2500	0.02	0
(2) Non- Institutions									
a) Bodies Corp									
i) Indian	3343855	7100	3350955	26.79	2831135	7100	2838235	22.70	4.09
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	655562	209285	864847	6.91	679201	199785	878986	7.03	0.12
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	3345814	0	3345814	26.75	3851913	0	3851913	30.80	4.05
c) Others (specify)									
Non Resident Indians (Repat)	30087	93100	123187	0.99	30087	93100	123187	0.99	0
Non Resident Indians (Non Repat)	1176	0	1176	0.01	1176	0	1176	0.01	0

Hindu Undivided Family(HUF)	53175	0	53175	0.43	44800	0	44800	0.36	0.07
Clearing Member	1301	0	1301	0.01	2158	0	2158	0.02	0.01
Sub-total(B)(2):-	7430970	309485	7740455	61.90	7440470	299985	7740455	61.90	0
Total Public Shareholding (B)=(B) (1)+(B) (2)									
	7430970	311985	7742955	61.92	7440470	302485	7742955	61.92	0
C. Shares held by Custodian for GDRs & ADRs									
	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)									
	12192515	311985	12504500	100	12202015	302485	12504500	100	0

(ii) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	%of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	%of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	MILAN R PAREKH AACPP4073G	2679056	21.42	0	2679056	21.42	0	0
2.	BAKUL RAMNIKLAL PAREKH AACPP5587D	2038889	16.31	0	2038889	16.31	0	0
3.	NAYANA MILAN PAREKH AACPP5583H	43600	0.35	0	43600	0.35	0	0
	Total	4761545	38.08	0	4761545	38.08	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	At the beginning of the year	4761545	38.08	4761545	38.08
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
1.					
2.					
	At the End of the year	4761545	38.08	4761545	38.08

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D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	At the beginning of the year	4892725	39.13	4892725	39.13
Annexure - I attached					
	At the End of the year (or on the date of separation, if separated during the year)	3965008	31.71	3965008	31.71

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	At the beginning of the year	4729990	37.83	4729990	37.83
	YEAR wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
1.	Mr. Atul Zatakia resigned as Director of the Company as on dated 12.11.2014	(12045)	(0.0963)	4717945	37.73
	At the End of the year	4717945	37.73	4717945	37.73

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	25,056,278	15,074,968	0	40,131,246
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	25,056,278	15,074,968	0	40,131,246
Change in Indebtedness during the financial year				
? Addition	0	0	0	0
? Reduction	3,944,903	2,246,278	0	40,131,246
Net Change	3,944,903	2,246,278	0	40,131,246
Indebtedness at the end of the financial year				
i) Principal Amount	21,111,375	12,828,690	0	33,940,065
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	21,111,375	12,828,690	0	33,940,065

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Milan Parekh	Mr. Bakul Parekh	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,100,000	2,100,000	4,200,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3.	Sweat Equity			
	Commission - as % of profit - others, specify...			
5	Others-Leave Encashment	329,574	321,699	651,273
	Total (A)	2,429,574	2,421,699	4,851,273
	Ceiling as per the Act			

B. Remuneration to other directors

1. Independent Director & Other Non-Executive Directors

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Milan Parekh	Mr. Bakul Parekh	Mr. Ketan Mehta	Mr. Atul Zatakia/Parul Doshi	Mr. Harbhajan Singh Dhillon	
1	Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	5,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	5,000
2	Other Non-Executive Independent Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	2,000	1,000	2,000	5,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	2,000	1,000	2,000	5,000
	Total (B)=(1+2)	-	-	2,000	1,000	2,000	10,000

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C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Name of the Key Managerial Personnel other than MD/Manager/WTD		Mr. Jayanti Suthar	Mr. Bakul Parekh	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	246,000 *	-	246,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total		246,000	-	246,000

* Salary for the six months appointed w.e.f. 01.10.2014

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

(Annexure-I)

VI. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2014			Transactions during the year				Cumulative Shareholding at the end of the year - 2015	
		NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY		DATE OF TRANSACTION	NO. OF SHARES	Reasons	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	
1	PRIVALLI PROPERTIES LLP Market Purchase	0	0		06 Jun 2014	500000	Transfer	500000	3.9986	
	Market Purchase				20 Jun 2014	500000	Transfer	1000000	7.9971	
2	LAXMIRAJUNA INVESTMENTS PVT. LTD. AT THE END OF THE YEAR	730000	5.8379					730000	5.8379	
3	PINKY JAODIA Market Purchase	449900	3.5979		05 Sep 2014	449900	Transfer	899800	7.1958	
	Market Sale				12 Sep 2014	-449900	Transfer	449900	3.5979	
4	AR-CHANA MITTAL Market Purchase	400000	3.1988		05 Sep 2014	400000	Transfer	800000	6.3977	
	Market Sale				12 Sep 2014	-400000	Transfer	400000	3.1988	
5	SURESH K JAODIA Market Purchase	387400	3.0981		05 Sep 2014	387400	Transfer	774800	6.1962	
	Market Sale				12 Sep 2014	-387400	Transfer	387400	3.0981	
6	VIKASH BHAGCHANDKA Market Purchase	300000	2.3991					387400	3.0981	
	Market Sale				05 Sep 2014	300000	Transfer	600000	4.7983	
					12 Sep 2014	-300000	Transfer	300000	2.3991	

MANAGEMENT DISCUSSION AND ANALYSIS :

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Indian markets were one of the best performing markets globally in 2014-15. The BSE Sensex and NSE Nifty jumped 30% buoyed by hopes of a better economy and reforms by the present government.

India also emerged as one of the strongest economies amongst the Emerging markets. The Economy of India is the seventh-largest in the world by nominal GDP and the third largest by purchasing power parity (PPP) & a member of BRICS and a developing economy with approximately 7% average growth rate for the last two decades. Currently the markets are negative for the year, but most analysts are of the opinion that the current sell-off is a periodic correction of the markets.

Markets cheered the reforms introduced by the new government in 2014 such as diesel deregulation. Decline/stable in interest rates will be an important trigger for the markets.

India has been battling with high inflation. However, inflation contracted sharply in 2014 due to lower food, oil and commodity prices. Brokerages are optimistic about domestic inflows into equities in 2015.

Geopolitical risks such as the situation in Russia and Ukraine, and ISIS-related problems in Iraq and the Middle East are some of the biggest uncertainties for the markets.

The Euro zone is already facing slowdown-related issues. On top of this, talks of Greece exiting the Euro zone are back. Markets around the world may slump. This could affect Indian markets too.

The Government in consultation with RBI and SEBI has been pursuing reforms in Indian capital markets aiming to improve operational efficiency, introduce new instruments, reduce transactions costs, and strengthen regulatory / institutional framework.

OPPORTUNITIES AND THREAT:

Being a broking company, its opportunities and threat would be more specific to the ones, which apply to the companies operating in the capital market as brokers. But as it is known a healthy competition is always good for the industry we expect various new sources of revenues in coming future from financial and capital markets.

SEGEMENT WISE PERFORMANCE:

Your company is mainly engaged in Capital Market Related Activities i.e. Broking & Depository Participant, which are under one broad segment of capital market, so segment reporting is not applicable to it.

OUTLOOK:

Review of the Operation of the Company has been given in detail in Directors' Report.

RISK AND CONCERNS:

Your company ensures adherence to best practice and has necessary internal system and control in place to manage the risk.

Further the strict regulations and guidelines imposed by the regulatory authorities like SEBI, Stock exchange and NSDL with reference to capital market operation and Depository functions are sufficient in controlling the market related financial and technical risks. All these guidelines of the regulatory authorities whether it for margin money in capital market transaction or otherwise are being strictly adhered to by your company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your company has appropriate and adequate internal control systems. The existing systems and procedures help in identifying the potential issues and problems, if any. Company had appointed skilled employees to monitor the regulatory compliance work, to avoid any shortfall in compliance related issues.

FINANCIAL PERFORMANCE:

Financial performance with the financial data and figures, have been given in detail in Directors' Report.

HUMAN RESOURCES:

ACTION has a set of experienced and qualified staff to look offers its operations, it offers a challenging work and growth-oriented culture to its employees with a people oriented philosophy to deploy right person at right place. ACTION allows its employees to learn all kind of work to educate them properly about the industry. Action lays tremendous emphasis on building and strengthening its human resources capital and accordingly existing employees undergo specific training and exams conducted by stock exchanges on their own assessment and the feedback received in their appraisal. The objective of learning and training process is to enable the employees to reach higher levels of performance and responsibility. Company encourages employees to clear NCFM and NISM exams for Capital market, Derivatives and Depository module.

CAUTIONARY STATEMENT:

Certain statements in the Management Discussion and Analysis describing the company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the company's business as well as its ability to implement the strategy. The company does not undertake to update these statements.

Report on Corporate Governance
(Pursuant to clause 49 of the Listing Agreement)

1. Company's philosophy on code of Governance

The Company remains committed to the core aspect of Corporate Governance, viz. fairness, transparency, accountability and responsibility. It has been the company's constant endeavour to ensure adequate disclosures to its stakeholders comprising of Shareholders, Customers, Government, Lenders, Employees and its Business Community. We believe that our governance process should ensure optimum resource utilization and meet the expectations of stakeholders in terms of providing transparency, empowerment, accountability and safety of people and environment. We lay emphasis on business ethics in all our dealings.

2. Board of Directors

- Composition of the Board:

The present Board of Directors consists of 5 Directors out of which Two (2) are Executive Directors, three (3) are Non-Executive & Independent Directors out of which One (1) is Non-Executive & Independent Woman Director. The Chairman of the Company is Executive and Promoter Director.

All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies. The details as on till date, of the composition of the Board and changes therein since the last Annual report, category of the Directors and their attendance at the Board Meetings and the last Annual General Meeting, number of their Directorships in other companies incorporated in India (excluding alternate directorships & directorship in Pvt. Ltd. Companies) are given below:

Name of Director	Category of Directorship #	No. of Board Mtgs. Attended	Attendance at the last AGM	Directorship in other Companies Incorporated in India (excluding alternate directorships & directorship in Pvt. Ltd. Companies)	No. of specified Committees (Other than AFSL) in which Chairman / Member \$		No. of Equity Shares held
					Chairman	Member	
Mr. Milan R. Parekh	Chairman- M.D.	9	Yes	2	Nil	Nil	2679056
Mr. Bakul R. Parekh	Jt. M.D.	9	Yes	2	Nil	Nil	2038889
Mr. Atul Zatakia @	I & N.E.D	5	Yes	---	Nil	Nil	12045
Mr. Ketan Mehta	I & N.E.D	6	Yes	1	Nil	Nil	NIL
Mr. Harbhjan Singh Dhillon	I & N.E.D	6	Yes	---	Nil	Nil	NIL
Mrs. Parul Doshi*	I & N.E.D	1	No	--	Nil	Nil	NIL

I- Independent Director, N.E.D. - Non-Executive Director, M.D. - Managing Director, W.T.D. - Whole-time Director

@ resigned as a director as on 12.11.2014

*appointed as director as on 20.03.2015

- CS Jayantilal Suthar, Company Secretary of the Company is the secretary to the Board w.e.f 01.10.2014.
- Number of Board Meetings held during the year along with the dates:
During the year 2014-15, Nine (9) Board Meetings were held as follows:-

April 2014 To June 2014	July 2014 to Sept. 2014	Oct. 2014 To Dec. 2014	Jan. 2015 To March 2015
12.05.2014	08.08.2014	12.11.2014	12.02.2015
30.05.2014	05.09.2014	-	20.03.2015
12.06.2014	30.09.2014	-	-

- Information placed before the Board of Directors

To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board as per the Agenda Papers in advance of the Board Meetings.

In addition to matters statutorily required to be placed before the Board of Directors for its approval, all major decisions regarding resource mobilisation, capital expenditure, etc., are considered by the Board. Following information are regularly put up before the Board for its consideration and approval:

- Strategic plan and direction of the Company;
- Annual Business Plan, Sales Budget;
- Quarterly financial Results of the Company;
- Minutes of the meetings of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee of the Board;
- Matters related to significant environmental issues, accidents, if any, etc.;
- Material information from Government bodies, which may have implications on the business of the Company, if any;
- Information on material transactions, which are not in the ordinary course of business;
- Disclosure of material transactions with potential conflict of interest, if any; and
- Compliance with various listing and statutory requirements.

Code of Conduct:

The Company has laid down the code of conduct for all Board members and senior Management personnel of the Company. Requisite annual affirmations of compliance with the respective codes have been made by the Directors and Senior Management personnel of the Company. The copy of code of conduct is available on the web site of the Company.

3. Audit Committee

The Board of Directors constituted an Audit Committee as per the existing clause 49 of the Listing Agreements entered into with the Stock Exchange. Four (4) meetings of the Audit Committee were held during the year. The Present composition of the Audit Committee and their attendance at meetings are as follows:

Name	Designation	Category	Number of Meeting attended
Mr. Atul Zatakia @	Chairman	I & N.E.D.	2
Mr. Harbhjan Dhillon	Member	I & N.E.D.	4
Mr. Ketan Mehta	Member	I & N.E.D.	4
Mrs. Parul Doshi*	Member	I & N.E.D.	0

@ resigned as a director as on 12.11.2014

*appointed as director as on 20.03.2015

- CS Jayantilal Suthar, Company Secretary of the Company is the secretary to the Audit Committee w.e.f 01.10.2014.

The Managing Director & CEO and CFO are permanent invitees to the Audit Committee Meetings. The Statutory Auditor is also invited to attend the Audit Committee Meetings, as and when required.

The Minutes of the Audit Committee Meetings were noted by the Board of Directors at the Board Meetings.

The Chairman of the Audit Committee was present at the 21st Annual General Meeting held on 25th September, 2014.

The powers and role of the Audit Committee are as per Guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchange and the Section 177 of the Companies Act, 2013. The salient features of powers and role of the Audit Committee are:

Terms of reference:

The Terms of reference of the Audit committee broadly are as under:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the Board, the appointment, reappointment of the statutory auditor, fixation of audit fees and for other services.
3. Reviewing with the Management, the quarterly and annual financial statements before submission to the Board for approval.

4. Discussions with statutory auditors before the audit commence nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
5. Reviews with the management, statutory auditors and internal audit system, the adequacy and the compliance of internal control systems.
6. In addition to above, all items listed in clause 49, matters requiring under Section 177 and other clauses of the Listing Agreements.

4. Stakeholders Relationship Committee:

The Board of Directors, constituted Stakeholders Relationship Committee, to attend to and redress the Shareholders and Investors grievances. The present composition of the Stakeholders Relationship Committee is as follows and four (4) meetings of the Stakeholders Relationship Committee were held during the year. The attendance of each Member of the Committee is given below:

Name	Designation	Category	Number of Meeting attended
Mr. Harbhjan Dhillon	Chairman	I & N.E.D.	4
Mr. Atul Zatakia@	Member	I & N.E.D.	2
Mr. Ketan Mehta	Member	I & N.E.D.	4
Mrs. Parul Doshi*	Member	I & N.E.D.	0

@ resigned as a director as on 12.11.2014

*appointed as director as on 20.03.2015

- CS Jayantilal Suthar, Company Secretary of the Company is the secretary to the Stakeholders Relationship Committee w.e.f 01.10.2014.

Role of Stakeholders Relationship Committee:

- a) Review the existing "Investor Redressal System" and suggest measures for improvement.
- b) The Stakeholders Relationship Committee meets once in every quarter to review and to take note of the Compliance Report submitted to the Stock Exchange and Grievances of the shareholders.
- c) To look into redressing of Shareholders and Investors Complaints regarding transfer of shares, non receipt of annual Reports etc.

During the year 2014-2015, Three (3) complaint was received and resolved by the Company and no complaints are pending to be resolved at the end of the financial year.

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5. Nomination and Remuneration Committee:

The Board of Directors, constituted a Nomination and Remuneration Committee. The Committee is empowered to approve the remuneration of the Directors of the Company and their relatives to ensure compliance of the Companies Act, 2013, Listing Agreements, etc.

5A. The role of the committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Details of Remuneration paid to the Directors during the financial year

Name	Position	Salary & Perquisites	Commission	Total
Mr. Milan R. Parekh	Managing Director	Rs. 24,29,574	Nil	Rs. 24,29,574
Mr. Bakul R. Parekh	Jt. Managing Director	Rs. 24,21,699	Nil	Rs. 24,21,699

6. Subsidiaries:

Though providing Stock Broking and Depository Services to be the prime business activity of the Company, the Company has two non material unlisted subsidiary companies viz. Action Securities Limited (ASL) and Action Commodities Limited (ACL).

The Company monitors the performance of its subsidiaries, inter-alia, by the following means:

- The financial statements, investments, are reviewed by the Audit Committee and the Board.
- The minutes of Board Meetings of the subsidiary are noted at the Board Meeting of the Company.

7. Annual General Meetings:

The details of Annual General Meetings are below:

Financial year	Date and Time	Location
2010-2011	29 th September, 2011 at 10.00 a.m.	31, Rajgir Chambers, 12/14, Sahid Bhagat Singh Road, Mumbai – 400 023
2011-2012	29 th September, 2012 at 10.00 a.m.	31, Rajgir Chambers, 12/14, Sahid Bhagat Singh Road, Mumbai – 400 023
2012-2013	30 th September, 2013 at 10.00 a.m.	31, Rajgir Chambers, 12/14, Sahid Bhagat Singh Road, Mumbai – 400 023
2013-2014	25 th September, 2014 at 11.00 a.m.	2A, 2B & 2C, 1st floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, opp. old Custom House, Fort Mumbai-400023

The Shareholders passed all the resolutions including the Special Resolutions set out in the respective Notices. No item requiring for postal ballot under the statute was applicable at the aforesaid meetings. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

8. Disclosure:

- Related Party Transactions

The Company has not entered into any transaction of material nature with its promoters, directors, management and their relatives. The disclosure with respect to the related party transactions is set out in the Notes to Accounts. None of these transactions are likely to have a potential conflict with the interest of the Company and are being carried out at an arm's length basis at fair market value. The details of all significant transactions with related parties are periodically placed before the Audit Committee.

- Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India as applicable.

- Disclosures regarding re-appointment / appointment of Directors

Disclosure regarding brief profile of Directors seeking re-appointment as required under Clause 49 VIII (E) of the Listing Agreement entered into with the Stock Exchanges is given under the Notice of the Annual General Meeting.

- Penalty or strictures

The letter Issued by Securities Exchange Board of India (SEBI) on Action Financial Services (India) Ltd, Adjudication Order No. PB/AO -01/2014, providing that company has defaulted under section 15-I of Securities

Exchange Board of India (SEBI) read with rule 5 of SEBI (Procedure for holding Inquiry & impose Penalty by Adjudicating Officer Rules, 1995). Against the Adjudication order company has filed an appeal in Securities Appellate Tribunal (SAT) by appeal no. 325 of 2014. The SAT Appeal is pending for final hearing.

- Certificate under Clause 47(c) of the Listing Agreement

As per the provisions of Clause 47(c) of the Listing Agreement entered into with the Stock Exchanges, the Company has obtained Secretarial Compliance Certificate on half yearly basis from a Company Secretary in Practice to the effect that all transfer of shares are effected within stipulated time. This is also filed with the National Stock Exchange of India Limited and BSE Limited within prescribed time limit.

- Communication to Shareholders

Striving for fair and timely information disclosure to a wider range of stakeholders is an essential component of Corporate Governance. In order to distribute information in a fair and timely manner to large numbers of people, the company regularly uploads results announcement, annual report, media releases, etc. in the website.

9. Implementation of Code of Conduct for Insider Trading:

Action Financial Services (India) Limited has adopted Code of Conduct for Insider Trading and is based on the SEBI framework. Action Financial Services (India) Limited follows strict guidelines in respect of insiders' stock trading and related disclosures. Periodic disclosures have been obtained from all the Directors and 'designated employees'. Under the aforesaid code all Directors and Designated Employees are required to conduct all their dealing in securities of the Company only in valid trading window after obtaining pre clearance from the Company as per the pre dealing procedure described in the Code.

10. Secretarial Audit for reconciliation of Capital.

As stipulated by SEBI, a Company Secretary in practice carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital. This audit is carried out every quarter and the report thereon are submitted to the Stock Exchange as well as placed before the Board of Directors. The audit confirms that the total Listed and paid up capital is in agreement with the aggregate of the total number of Shares in dematerialised form (held by NSDL and CDSL) and total number of Shares in physical form.

Means of Communication with Shareholders:

Quarterly Results	The quarterly and annual results of the Company are published in English and vernacular newspaper in accordance with the requirements of the Listing Agreement of the stock Exchange.
Newspapers in which results are normally published	1. Free Press (English) 2. Navshakti (Marathi)
Website	www.actionfin.com
e-mail:	actionfin@gmail.com
Administrative Office :-	46 & 47, 6th Floor, Rajgir Chambers, 12/14, Sahid Bhagat Singh Road, Opp Old Custom House, Fort, Mumbai - 400 023
Tel:-	(022) 40624444
Fax :-	(022) 40624447
Whether Management Discussions and Analysis report is a part of Annual report	Yes

GENERAL SHAREHOLDERS' INFORMATION

Registered Office	:	46 & 47, 6th Floor, Rajgir Chambers, 12/14, Sahid Bhagat Singh Road, Opp Old Custom House, Fort, Mumbai - 400 023
Share Transfers in physical form and other communication in that regard including share certificates, dividends and change of address etc. may be addressed to	:	Link Intime India Private Limited Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (W) Mumbai - 400078 Tel No.: 022 - 25963838 Fax No.: 022 - 25946969
Annual General Meeting of the Company to be held on	:	Date : 29.09.2015 Time : 11.00 a.m. Venue : 11-15, 2nd floor, , Rajgir chambers, 12/14, Shahid Bhagat Singh Road, Opp. Old Custom House, Fort, Mumbai-400023
Financial Calendar (tentative)	:	First quarter - 2 nd week of August, 2015 Second quarter - 2 nd week of November, 2015 Third quarter - 2 nd week of February, 2016 Fourth Quarter - 4 th week of May 2016

Action Financial Services (India) Limited

Book Closure dates	:	23 rd September, 2015 to 29 th September, 2015 (both days inclusive).
Voting rights	:	The Members whose names appear in the Register of Members/list of Beneficial Owners as received from Central Depository Services (India) Limited (CDSL) on 22 nd September, 2015 for remote e-voting as well as on Ballot at General Meeting.
Listing on Stock Exchanges	:	Bombay Stock Exchange Limited
Listing Fees	:	Listing fees for the aforesaid Stock Exchanges for the financial year 2015-2016 have been paid.
Bombay Stock Exchanges Limited Scrip ID:	:	ACTIONFI
Bombay Stock Exchanges Limited (BSE) Scrip Code:	:	511706
ISIN NO.	:	INE357A01032

MONTHWISE STOCK MARKET DATA (BSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE PERIOD 1.4.2014 TO 31-3-2015

<i>Month</i>	<i>High BSE</i>	<i>Low BSE</i>	<i>Average BSE</i>
Apr 14	7.35	6.91	7.13
May 14	8.49	7.25	7.87
Jun 14	16.53	8.91	12.72
Jul 14	16.80	8.60	12.70
Aug 14	10.93	9.92	10.43
Sep 14	10.00	7.38	8.69
Oct 14	7.68	6.34	7.01
Nov 14	11.09	6.65	8.87
Dec 14	10.64	10.64	10.64
Jan 15	10.70	10.10	10.40
Feb 15	10.25	10.25	10.25
Mar 15	10.25	10.25	10.25
Average price per shares upto March, 2015			9.75

Bombay Stock Exchange (BSE)

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2015

Shareholding Of Shares		No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1	500	1577	79.9696	219422	1.7547
501	1000	134	6.7951	114630	0.9167
1001	2000	65	3.2961	102338	0.8184
2001	3000	51	2.5862	132565	1.0601
3001	4000	14	0.7099	50122	0.4008
4001	5000	18	0.9128	86959	0.6954
5001	10000	35	1.7748	291723	2.3329
10001	and above	75	3.9554	11506741	92.0208
TOTAL		1969	100.00	12504500	100.00
Physical mode		860		302485	2.42%
Electronic mode		1109		12202015	97.58%
TOTAL		1969	100.00	12504500	100.00

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2015

Sr. No.	Category	No. of Folios	Total Shares held	% to the Share Capital
1.	Other Bodies Corporate	51	2838235	22.70
2.	Clearing Member	9	2158	0.09
3.	Foreign Company	0	0	0.00
4.	Foreign Institutional Investors *	0	0	0.00
5.	Trust	0	0	0.00
6.	GIC & its subsidiaries	0	0	0.00
7.	Mutual Funds/ UTI	2	2500	0.02
8.	Financial Institutions /Nationalised Banks	0	0	0.00
9.	Non Nationalised Banks	0	0	0.00
10.	Non Residents Indians (REPAT)	34	123187	0.99
11.	Non Resident Indians(Non REPAT)	4	1176	0.01
12.	Overseas Corporate Bodies	0	0	0.00
13.	Public	1860	4730899	37.83
14.	Promoters	3	4761545	38.08
15.	Hinu Undivided Family(HUF)	6	44800	0.36
Total		1969	12504500	100.00

Details of Equity Shares Under lock-in period	:	90000 Equity Shares lock-in as on 31.03.2015
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Dematerialization of shares	:	As on March 31, 2015 a total of 12202015 equity shares constituting 97.58% of the equity share capital of the Company stand dematerialized and balance 302485 shares are in physical mode being 2.42%.
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Action Financial Services (India) Limited

Business Location	:	Appeared in the Annual Report elsewhere -
Investors' correspondence to be addressed to:	:	CS Jayantilal Suthar (Compliance Officer) Action Financial Services (India) Limited Registered Office: 46 & 47, 6th Floor, Rajgir Chambers, 12/14, Sahid Bhagat Singh Road, Opp. Old Custom House, Fort, Mumbai - 400 023 Telephone: 022 - 25963838 Fax No.: 022 - 25946969 E-mail: action@actionfin.com Investor Complaint Email ID: - ig@actionfin.com

DECLARATION

I Milan R. Parekh, Chairman & Managing Director & CEO of Action Financial Services (India) Limited hereby declare that all the members of the Board of Directors and the Senior management personnel have affirmed compliance with the Code of conduct for the year ended 31st March, 2015.

BY AND ON BEHALF OF THE BOARD

(Mr. Milan R. Parekh)
Managing Director & CEO
(DIN : 00108368)

Mumbai
Date:- 29th May, 2015

CERTIFICATE

To

The Board of Directors

Action Financial Services (India) Limited

We, Milan R. Parekh, Chairman & Managing Director (CEO) and Bakul R. Parekh, Jt. Managing Director & Head-Finance & Accounts (CFO) of Action financial Services (India) Ltd. both certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2015 and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Action Financial Services (India) Limited

(Milan R. Parekh)

Managing Director & CEO

(DIN : 00108368)

Action Financial Services (India) Limited

(Bakul R. Parekh)

Jt Managing Director & CEO

(DIN : 00108609)

Place : Mumbai

Date :- 29th May, 2015

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by Action Financial Services (India) Limited, for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For FORD, RHODES, PARKS & CO.
Chartered Accountants

A.D.Shenoy
(Partner)
Membership No.11549

Place : Mumbai
Date :29th May, 2015

Independent Auditor's Report

to the members of Action Financial Services (India) Ltd

Report on the Financial Statements for the year ended 31st March, 2015

We have audited the accompanying financial statements of Action Financial Services (India) Ltd ("the Company") which comprise the balance sheet as at 31st March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as issued by Central Government of India in terms of sub section (11) of section 143 of Companies Act, 2013 (18 of 2013) we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - i. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- iii. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - iv. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ; and
 - v. on the basis of written representations received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements;
 - ii. As represented by the company, there are no foreseeable material losses in respect of long-term contracts including derivative contracts
 - iii. As represented by the company, there are no amounts required to be transferred to Investor Education and Protection Fund by the Company.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

A.D. Shenoy
Partner
Membership No.11549

Place: Mumbai
Date: 29th May, 2015

Annexure to the Auditors' Report

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of Action Financial Services (India) Ltd on the financial statements for the year ended 31st March, 2015]

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b) Fixed Assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
2. The Company does not have any stocks of raw materials, stores, spares parts and finished goods. Hence clause (ii) of the Order does not apply to the company.
3. The Company has not granted any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of shares and fixed asset and for providing services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. The Company has not accepted any deposits from the public, within the meaning of Sections 73 to 76 of Companies Act 2013 and the rules framed there under.
6. The Central Government has not prescribed maintenance of cost records under Section 148 of the Companies Act 2013.
7. a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees

state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.

- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, service tax, customs duty and cess as at 31st March 2015, which has not been deposited on account of dispute, except the following:-

Sr. No.	Name of dues	Forum where Dispute is pending	Period to which amount relates	Amount involved Rs.
1	Income Tax	ITAT Mumbai	A.Y. 2008-09	10,130,835/-
2	Tax Deducted at Sources	Commissioner of Income (Appeals), Mumbai	A.Y. 2010-11	129,990/-
3	Tax Deducted at Sources	Commissioner of Income (Appeals), Mumbai	A.Y. 2011-12	143,056/-
4	Tax Deducted at Sources	ITO/TDS - Rectification file / to be filed	Various Years	344,290/-

Note:-

1. The Company had contested Income Tax demand of Rs 10,130,835/- for Assessment Year 2008-09. The Company has paid Rs. 87, 51,819/-. The company has preferred an appeal in the ITAT against the CIT (A) order.
 2. a. The Company had contested Income Tax Deducted at Sources of Rs 129,990/- and Rs 143,056/- for Assessment Year 2010-11 and 2011-12. The company has preferred an appeal in CIT (A).
 3. During the year company received notice u/s 131 of the Income Tax Act -1961 and the company officials attended to the notice survey carried out at the premises of the company on 13th June, 2014. No further notice has yet been received from the Income tax Department with regards to this matter.
- c) According to the information and explanations given to us and records of the Company examined by us, in our opinion, there are no amounts payable to Investor Education and Protection Fund u/s 125 of the Companies Act, 2013.
8. The Company is registered over 5 years. The Company has not incurred any cash losses in the current financial year or in the immediately

preceding financial year. The company does not have accumulated losses at the end of the financial year (PY accumulated loss of Rs.13.01 Lakhs).

9. According to the information and explanations given to us and records of the Company examined by us the company does not have any Borrowing from any financial institution or bank or by way of debenture as at the Balance Sheet date.
10. According to the information and explanations given to us the Company has not given any guarantees for loans taken by others from banks or financial institution during the year.
11. The Company has not obtained any term loans.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Place:Mumbai
Date: 29th May, 2015

A.D. Shenoy
Partner
Membership No.11549

Action Financial Services (India) Limited
BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Note. No.	Current Year Rs.	Previous Year Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	133,325,000	133,325,000
Reserves and surplus	3	128,368,663	114,799,038
Money received against share warrants		-	11,685,000
		261,693,663	259,809,038
Non-current liabilities			
Other Long term liabilities	4	10,650,100	10,378,454
Long-term provisions	5	2,641,325	4,244,156
		13,291,425	14,622,611
Current liabilities			
Short-term borrowings	6	21,111,375	25,056,278
Trade payables		35,762,931	37,074,230
Other current liabilities	7	19,051,476	22,810,497
Short-term provisions	8	2,890,440	2,108,173
		78,816,222	87,049,179
Total		353,801,310	361,480,828
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	10,142,531	17,277,272
Intangible assets		5,509,494	6,508,456
		15,652,025	23,785,728
Non-current investments	10	61,700,817	66,981,853
Deferred tax assets (net)	11	929,374	1,582,562
Long-term loans and advances	12	10,674,633	10,473,289
Other non-current assets	13	3,132,207	5,958,616
		92,089,056	108,782,048
Current assets			
Inventories	14	172,383,519	164,092,343
Trade receivables	15	54,505,123	59,316,921
Cash and Bank Balance	16	21,908,126	15,354,665
Short-term loans and advances	17	1,953,756	2,945,381
Other current assets	18	10,961,730	10,989,470
		261,712,254	252,698,780
Total		353,801,310	361,480,828

Significant Accounting Policies

1

Notes to Accounts

2 - 48

Significant Accounting Policies & Notes to Accounts forms an integral part of the accounts.

As per our report of even date

For and on behalf of the Board

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
Chairman & Managing Director
DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
Joint Managing Director & CFO
DIN : 00108609

Place : Mumbai
Date: 29th May 2015

Place : Mumbai
Date: 29th May 2015

Action Financial Services (India) Limited

Action Financial Services (India) Limited
Statement of Profit and loss for the year ended 31st March 2015

Particulars	Note. No.	Current Year Rs.	Previous Year Rs.
Revenue			
Revenue from operations	19	25,987,228	41,792,476
Other income	20	10,966,793	1,910,730
Total		36,954,021	43,703,207
Expenses			
Employee benefits expense	21	13,028,557	14,236,002
Finance costs	22	5,091,381	6,405,401
Depreciation and amortization expense	9	4,401,980	3,816,506
Other expenses	23	17,163,084	25,327,830
Total		39,685,002	49,785,739
Profit/(Loss) before exceptional and extraordinary items and tax		(2,730,982)	(6,082,532)
Exceptional items	47	5,696,734	6,394,442
Profit/(Loss) before tax		2,965,752	311,910
Less: Tax expense			
Current tax		100,000	320,000
Deferred tax	11	653,188	(606,493)
Profit/(Loss) for the Year		2,212,564	598,403
Earnings per equity share of Rs. 10 each:	38		
(1) Basic		0.11	(0.02)
(2) Diluted		0.11	(0.02)

Significant Accounting Policies

1

Notes to Accounts

2 - 48

Significant Accounting Policies & Notes to Accounts forms an integral part of the accounts.

As per our report of even date

For and on behalf of the Board

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
Chairman & Managing Director
DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
Joint Managing Director & CFO
DIN : 00108609

Place : Mumbai
Date: 29th May 2015

Place : Mumbai
Date: 29th May 2015

Action Financial Services (India) Limited
Cash Flow Statement for The year ended 31st March 2015

Particulars	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	2,965,752	311,909
Depreciation	4,401,980	3,816,506
Creditor written Back	-	(12,191)
Provision on Standard & Sub Standard Assets	-	137,269
Provision for Non Performing Assets	287,391	-
Excess provision for taxation considered as per R & S	-	3,020,538
Interest and Dividend Income	(1,888,678)	(1,626,881)
(Profit)/ Loss on sale of Investments	(7,777,632)	440,448
(Profit)/ Loss on sale of Fixed Assets	(5,696,734)	(6,394,442)
Interest Paid	5,091,381	6,405,401
Operating Profit before Working Capital Changes	(2,616,539)	6,098,558
Loan and Advances	790,282	5,544,850
Trade Receivables	4,524,406	31,674,876
Other current /Non current assets	3,151,537	446,371
Inventories	(8,291,176)	(65,846,738)
Trade payables	(1,311,299)	22,462,399
Other Payables (Excluding Current tax Provision)	(4,407,940)	4,838,642
Cash Generated from Operations	(8,160,729)	5,218,958
Direct Taxes Paid (Net)	(297,390)	(303,994)
Net Cash from Operating Activities [A]	(8,458,119)	4,914,964
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) & Creation of Fixed Assets	(899,482)	(2,066,763)
Proceeds from sale of Fixed Assets	10,000,000	8,531,000
(Purchase) / Sale Of Investments (Net)	13,058,667	(37,729,673)
Dividend Received	100,568	95,124
Investment in Fixed deposit	(5,886,207)	(7,534,017)
Interest Received	1,788,110	1,531,757
Net Cash used in Investing Activities [B]	18,161,656	(37,172,572)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowing (Net)	(3,944,903)	(1,044,050)
Interest paid	(5,091,381)	(6,405,401)
Net Cash from Financing Activities [C]	(9,036,284)	(7,449,451)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	667,253	(39,707,058)
Cash and cash equivalents as at 1st April (Opening)	636,307	40,343,365
Net increase / (decrease) in cash and cash equivalents	667,253	(39,707,058)
Cash and cash equivalents as at 31st March (Closing)	1,303,560	636,307
Notes:		
i) Cash and Cash Equivalents include:		
Balances with Schedule Banks on Current Accounts	329,619	636,066
Cash in Hand	973,941	241
	1,303,560	636,307
ii) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.		
iii) Cash and cash equivalents for the purpose of cash flow statement comprise of Cash at bank and in hand and short term investments with an original maturity of three months or less. Bank fixed deposits with maturity period over 12 months at balance sheet date is classified as other non-current asset.		
iv) Previous year's figures regrouped /reclassified wherever required.		

As per our report of even date

For and on behalf of the Board

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
Chairman & Managing Director
DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
Joint Managing Director & CFO
DIN : 00108609

Place : Mumbai
Date: 29th May 2015

Place : Mumbai
Date: 29th May 2015

Note forming part of financial statement for the year ended 31st March 2015.

1. Significant Accounting Policies and Corporate Information

Corporate Information

Action Financial Services (India) Limited is a public Company listed in Bombay stock exchange. The company is engaged in share Broking and depository services. The company has two wholly owned subsidiaries viz. Action Securities Limited and Action Commodities Limited.

Significant Accounting Policies

a. Accounting Concepts

The Financial statements of the Company have been prepared on accrual basis under historical cost convention, in accordance with Generally Accepted Accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard or a more appropriate presentation of the financial statements requires a change in the accounting policy hitherto in use.

b. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

c. Revenue Recognition

- (i) Income from broking activities and depository services are recognized only when it is reasonably certain that the ultimate collection will be made.
- (ii) Income from trading in securities and Derivatives comprises of profit or loss on sale of securities held as stock in trade and profit or loss on Derivative instruments is accounted for based on the "Guidance note on accounting for Equity Index and Equity Stock Futures and Options".
- (iii) Interest income is recognized on time proportionate basis.

(iv) Dividend income is recognized on receipt basis.

d. Fixed Assets

Tangible & Intangible Assets

All the fixed assets are accounted at cost of acquisition less accumulated depreciation.

e. Leased Assets

Operating Lease

Assets taken on lease under which the lessor effectively retains all the risk and rewards of ownership are classified as operating lease. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease agreement.

Finance lease

Leased assets acquired on which significant risk and rewards of ownership is effectively transferred to the company are capitalized at lower of fair value or the amount paid under such lease arrangements.

f. Depreciation /Amortization

Depreciation on Fixed Assets is provided over the useful life of assets as specified under Schedule II of the Companies Act, 2013 under Straight Line Method. Goodwill is amortized over a period of Twenty years. Assets acquired under Finance lease are amortized over the period of lease or estimated useful life of Asset whichever is lower. Assets below Rs.5,000/- each are fully charged to Profit and loss. Application software is capitalized as Intangible Asset amortized over estimated useful life or before obsolescence, whichever is earlier.

g. Impairment of Fixed Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

h. Investments

Securities, which are bought with an intention of keeping for long term, are classified under Investments and are valued at cost plus brokerage and stamp charges. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

i. Stock In Trade

Shares and Debentures held as inventory are valued at cost or market price whichever is lower, whereby the cost of each script is compared vis-à-vis its market value and the resultant shortfall if any, is charged to revenue.

j. Taxation

- (i) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.
- (ii) Deferred tax on timing difference between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognized for unabsorbed depreciation and carry forward losses to the extent there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.
- (iii) Minimum Alternate Tax (MAT) Credit: MAT is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the ICAI, the said asset is created by way of credit to the Statement of Profit & Loss and is shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

k. Employee benefits

- (i) Gratuity to employees is provided as per AS 15 and liability as on Balance Sheet date has been determined on the basis of actuarial valuation. The liability is not funded.
- (ii) Leave encashment benefits payable to employees of the Company with respect to accumulated leave outstanding at the year-end are accounted for on the basis of an actuarial valuation as at the Balance Sheet date applying projected unit Credit Method done by an Independent Actuary

(iii) Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and ESIC are charged to Statement of Profit and Loss on accrual basis.

I. Derivative Transactions

Gain /losses on transactions pertaining to Equity & Currency Futures are recognized on continuous basis. Gain / losses on options contracts are recognized on squaring off /settlement day.

m. Earnings per Share

In determining the earning per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary/ exceptional items and also after reducing dividend on cumulative preference shares for the period (irrespective whether dividend is paid or not). The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per shares comprises the weighted average shares considered for deriving the basic earnings per share and also weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for any stock split and bonus shares issued.

n. Provisions for Contingent liabilities and Contingent assets

A provision is recognized for a present obligation as result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions are determined based on net estimate of the amount required to settle the obligation at the Balance sheet date. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Action Financial Services (India) Limited

Action Financial Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2015

Details of share Capital

2. A Details of Authorised, Issued, Subscribed and Paid up Capital

Particulars	Current Year	Previous Year
SHARE CAPITAL		
Authorized share capital 14,000,000 (P.Y. 14,000,000) Equity Shares of Rs.10/-each 100,000 (P.Y. 100,000) Preference Shares of Rs. 100/- each	140,000,000	140,000,000
Issued share capital 1,25,04,500 (P.Y. 1,25,04,500) Equity Shares of Rs. 10/- each 82,800, 10 % Redeemable Cumulative Preferences Shares of Rs.100/- each	125,045,000 8,280,000 133,325,000	125,045,000 8,280,000 133,325,000
Subscribed & fully paid up 1,25,04,500 (P.Y. 1,25,04,500) Equity Shares of Rs. 10/- each fully-paid 82,800(P.Y.82,800), 10 % Redeemable Cumulative Preferences Shares of Rs.100/- each fully-paid	125,045,000 8,280,000 133,325,000	125,045,000 8,280,000 133,325,000

B Reconciliation of number of shares outstanding at beginning & end of the Year.

(I) Equity Shares

During the year there is no movement.

(No. of Shares)

Particulars	Current Year	Previous Year
Opening balance	12,504,500	12,504,500
Closing Balance	12,504,500	12,504,500

(II) Preference Shares

During the year there is no movement.

(No. of Shares)

Particulars	Current Year	Previous Year
Opening balance	82,800	82,800
Closing Balance	82,800	82,800

NOTE:

The Preference share carry right to receive 10% dividend on cumulative basis. The Redemption of preference shares has been extended up to on or before March 2018 as there was lack of profit for the redemption. A confirmation letter for the said extension has been received from all the preference share holders. The Company has not declared or paid dividend on preference capital.

C Last 5 years details of Shares issued / bought back

There are no issues for consideration other than cash, Bonus shares or buy back in past 5 years.

D Shareholder's Information

(No. of Shares)

Particulars		Current Year		Previous Year	
1. Shares held by Group Companies		NA		NA	
2. Share holders holding 5% or more shares					
Name	As at 31st March 2015		As at 31st March 2014		
	Shares	Percentage	Shares	Percentage	
Promoters					
Milan R Parekh	2,679,056	21.42	2,679,056	21.42	
Bakul R Parekh	2,038,889	16.30	2,038,889	16.30	
Others					
Priyali Properties LLP	1,000,000	8.00	-	-	
Prime Capital Market Limited	30,000	0.24	830,000	6.64	
Laxmiramuna Investment Pvt. Ltd.	730,000	5.84	730,000	5.84	
TOTAL		6,477,945	51.80	6,277,945	50.20
Preference Shares					
Promoters					
Milan Parekh	64,827	78.29	64,827	78.29	
Bakul Parekh	14,193	17.14	14,193	17.14	

E There are no shares reserved for issue under options and contracts /commitments for sale of Shares/disinvestment.

F There are no unpaid calls as at Balance sheet date.

G There are no forfeited shares as at Balance sheet date.

Action Financial Services (India) Limited

Action Financial Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2015

3. RESERVES AND SURPLUS

Particulars	Current Year	Previous Year
a. Securities Premium A/c		
Opening Balance	99,704,700	99,704,700
Closing Balance	99,704,700	99,704,700
b. Capital Redemption Reserve Account		
Opening Balance	10,120,000	10,120,000
Closing Balance	10,120,000	10,120,000
c. Capital Reserve A/c		
Opening Balance	6,275,000	6,275,000
Add: Addition on Forfeiture of Warrants	11,685,000	-
Closing Balance	17,960,000	6,275,000
d. Surplus as per Statement of Profit & Loss		
I. Opening Balance	(1,300,662)	(4,919,602)
Add: Profit during the year	2,212,564	598,402
Add: Adjustment of earlier year income tax	-	3,020,538
Less: Adjustment of Depreciation as per Schedule II Company's Act, 2013	(327,940)	-
II. Current year Surplus	1,884,624	3,618,942
Closing Balance	583,963	(1,300,662)
Total Reserves & Surplus (a+b+c+d)	128,368,663	114,799,038

Notes:

- (I) Capital Redemption Reserve represents Reserve created on redemption of 101,200 Preference shares in 2008.
- (II) Capital Reserve represents forfeited amount of warrants for details refer note 26 of notes to accounts.

4. Long - term Provisions

Particulars	Current Year	Previous Year
Deposit from Clients	10,650,100	10,378,454
Total	10,650,100	10,378,454

Action Financial Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2015

5. Other Long term Liabilities

Particulars	Current Year	Previous Year
Contingent Provision against Standard Assets	538,688	538,688
Provision for gratuity	1,891,134	3,153,715
Provision for leave benefits	211,503	551,753
Total	2,641,325	4,244,156

6. Short Term Borrowings

Particulars	Current Year	Previous Year
Loans repayable on demand from Banks (Secured)	11,910,987	20,055,891
Inter corporate deposit (Secured)	9,200,388	5,000,388
Total	21,111,375	25,056,278

7. Other Current Liabilities

Particulars	Current Year	Previous Year
Current maturities of Long- Term debt		-
Others Loans & Advances : Book overdraft	12,828,690	15,074,968
Statutory Liability	689,453	1,479,090
Deposit Received	1,205,226	1,700,000
Others payables	4,328,107	4,452,899
payable to related parties	-	103,540
Total	19,051,476	22,810,497

8. Short term Provisions

Particulars	Current Year	Previous Year
Provision for Gratuity	985,632	300,980
Provision for leave benefits	184,178	186,563
Provision for Taxation	1,720,630	1,620,630
Total	2,890,440	2,108,173

Action Financial Services (India) Limited

Notes to Financial Statements for the year ended 31st March 2015 (Contd.)

Note 9.

Fixed Assets

Particulars	Gross Block				Depreciation			Net Block				
	As at 01.04.2014	Additions	Deduction	Adjustment	Closing Balance	Upto 31.03.2014	For the Year	Deduction	Adjustments	Total	As at 31.03.2015	As at 31.03.2014
Tangible Assets												
Office Premises	9,238,450	-	4,484,925	-	4,753,525	1,209,587	222,338	181,659	69,488	1,180,778	3,572,747	8,028,863
Lease Hold Improvement	1,197,227	-	-	-	1,197,227	381,377	271,252	-	-	652,630	544,597	815,850
Furniture & Fixtures	2,992,413	-	-	1,314,083	1,678,330	2,791,549	49,444	-	1,480,720	1,360,272	318,057	200,864
Vehicles	1,510,573	-	-	-	1,510,573	450,171	196,975	-	-	647,146	863,427	1,060,402
Office Equipments	2,241,211	-	-	1,915,865	325,346	1,240,695	60,475	-	1,202,432	98,737	226,609	1,000,516
Server	7,562,919	-	-	-	7,562,919	2,106,380	1,284,172	-	-	3,390,552	4,172,367	6,170,778
Computer	6,585,194	125,838	-	5,540,602	1,170,430	5,870,955	544,718	-	5,689,970	725,704	444,726	
Sub Total	31,327,987	125,838	4,484,925	8,770,550	18,198,350	14,050,714	2,629,374	181,659	8,442,610	8,055,819	10,142,531	17,277,272
Intangible Assets												
Goodwill	12,918,645	-	-	-	12,918,645	10,822,902	645,932	-	-	11,468,834	1,449,811	2,095,743
Computer Software	6,547,773	773,644	-	-	7,321,417	2,135,060	1,126,674	-	-	3,261,734	4,059,683	4,412,713
Sub Total	19,466,418	773,644	-	-	20,240,062	12,957,962	1,772,606	-	-	14,730,568	5,509,494	6,508,456
Total	50,794,405	899,482	4,484,925	8,770,550	38,438,412	27,008,676	4,401,980	181,659	8,442,610	22,786,387	15,652,025	23,785,728
Previous Year	51,944,083	2,066,763	3,266,441	-	50,794,405	24,322,053	3,816,506	1,129,883	-	27,008,676	23,785,728	

Action Financial Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2015

10. Non- Current Investment

Particulars	Current Year	Previous Year
Trade Investments		
BSE shares	2,683,500	2,683,500
BGSE Shares	1,229,609	1,229,609
	3,913,109	3,913,109
Unquoted Equity Instruments		
1. Investment in wholly owned Subsidiaries		
Action Securities Limited	500,000	500,000
Action Commodities Limited	8,500,000	8,500,000
2. Others	100,000	100,000
	9,100,000	9,100,000
Quoted Equity Instruments		
Equity Instruments (Market value Rs. 49,004,103/-)	48,687,708	53,968,744
Total	61,700,817	66,981,853

11. Deferred Tax Assets (Net)

Particulars	As at 01.04.2014	For the year	As at 31.03.2015
WDV differential	(4,957,400)	(376,190)	(5,333,590)
Retirement benefits	1,261,677	(276,998)	984,679
Unabsorbed Depreciation	475,656	-	475,656
Business Loss	3,805,630	-	3,805,630
Short Term Loss	996,999	-	996,999
Net Deferred tax Asset/(Liability)	1,582,562	(653,188)	929,374

12. Long -Term Loans & Advances

Particulars	Current Year	Previous Year
Security Deposits		
Secured, Considered good	10,674,633	10,473,289
Total	10,674,633	10,473,289

13. Other non- current assets

Particulars	Current Year	Previous Year
Fixed Deposits having maturities after 12 months from balance sheet date & held as margin money	1,997,371	4,823,780
Advances towards MCX Membership	1,134,836	1,134,836
Total	3,132,207	5,958,616

Action Financial Services (India) Limited

Action Financial Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2015

14. Inventories

Particulars	Current Year	Previous Year
Shares as at 31.03.2015 valued at Cost or Market value, whichever is lower.	172,383,519	164,092,343
Total	172,383,519	164,092,343

15. Trade receivables

Particulars	Current Year	Previous Year
Receivables outstanding for more than 6 months from the due date		
Unsecured, considered good	8,579,452	5,705,542
Less : Provision for Non- Performing Debtors	(857,945)	(570,554)
	7,721,507	5,134,988
Others		
Unsecured, Considered good	46,783,616	54,181,933
Total	54,505,123	59,316,921

16. Cash & bank Balances

Particulars	Current Year	Previous Year
Cash & Cash equivalents		
Balances with bank	329,619	636,066
Cash on hand	973,941	241
	1,303,560	636,306
Other bank balance		
FD held having maturity less than 12 months from balance sheet date held as margin money	20,604,566	14,718,359
FD held as margin money maturity more than 12 months from balance sheet date	1,997,371	4,823,780
Less: Amount considered under "Other non current asset"	(1,997,371)	(4,823,780)
	20,604,566	14,718,359
Total	21,908,126	15,354,665

Action Financial Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2015

17. Short term loans and advances

Particulars	Current Year	Previous Year
Loans and advances to related parties		
Unsecured, Considered good	268,824	-
	268,824	-
Others		
Unsecured, Considered good		
Employee Loan	72,613	25,614
Statutory Dues	-	62,746
Prepaid Expenses	209,819	553,048
Others	1,402,500	2,303,973
	1,684,932	2,945,381
Total	1,953,756	2,945,381

18. Other current assets

Particulars	Current Year	Previous Year
Interest Accrued on Deposits	742,388	1,067,518
Advance Tax Paid	8,751,819	8,751,819
Tax Deducted at Source	1,467,523	1,170,133
Total	10,961,730	10,989,470

19. Revenue from Operations

Particulars	Current Year	Previous Year
1. Revenue from Services		
Income from Broking activities	9,855,774	10,973,095
Income from Depository Services	6,792,075	3,520,672
	16,647,849	14,493,767
2. Other operating revenue		
Profit on Derivatives	9,194,343	-
Profit on sale of securities (Net)	145,036	27,254,081
Mutual Fund Commission	-	44,628
	9,339,379	27,298,709
Total	25,987,228	41,792,476

Action Financial Services (India) Limited

Action Financial Services (India) Limited

Notes to Financial Statements for the year ended 31st March 2015

20. Other Income

Particulars	Current Year	Previous Year
Interest income	1,788,110	1,531,757
Miscellaneous income	589,539	163,850
Net gain or loss on sale of investments	7,777,632	-
Dividend Income	100,568	95,124
Rent received	300,000	120,000
Gratuity Provision Written Back	410,944	-
Total	10,966,793	1,910,730

21. Employee Benefit Expenses

Particulars	Current Year	Previous Year
Salary & Wages	12,032,141	13,470,092
Contribution to provident & other Funds	256,657	250,563
Leave Encashment	524,063	49,748
Staff welfare Expenses	213,696	188,077
Incentive to staff	2,000	33,850
Gratuity	-	243,672
Total	13,028,557	14,236,002

22. Finance cost

Particulars	Current Year	Previous Year
Interest Paid to Bank	3,035,164	2,086,215
Interest Paid to Others	1,956,277	3,493,021
Interest Paid on Car Loan	-	15,049
Prepayment charges	-	54,358
Bank Guarantee Commission	99,940	352,476
Interest Paid on Term Loan	-	404,282
Total	5,091,381	6,405,401

Action Financial Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2015

23. Other Expenses

Particulars	Current Year	Previous Year
Advertisements	121,976	1,444,382
Auditors Remuneration	500,000	449,440
Bank Charges	636,273	432,718
Bad Debts W/Off	177,698	-
Communication Expenses	1,009,907	1,174,820
Electricity Expenses	1,337,521	1,300,866
Loss on Currency Derivatives	-	680,994
Loss on Derivatives	-	3,944,581
Loss on sales of investment	-	440,448
Maintenance Expenses	1,604,340	1,703,012
Miscellaneous Expenses	658,003	589,357
NSDL Expenses	614,514	635,082
Printing & Stationery	488,790	404,410
Professional Fees	2,407,813	4,827,891
Provision for Non-Performing Assets	287,391	-
Provision for Contingency against standard assets	-	157,082
Rent , Rates & Taxes	3,236,415	3,260,503
Settlement Charges	-	970,531
Stock Exchange Expenses	471,975	-
Sub Brokerage	1,373,450	1,005,269
OTCEI Membership Written off	825,000	-
Travelling and Conveyance	713,862	281,752
Dimunation in value of Stock in Trade	698,155	1,624,690
Total	17,163,084	25,327,830

Notes forming part of Financial statement for the year ended March 31, 2015

24. Contingent Liabilities not provided in respect of

- a. Bank Guarantee amounting to Rs. 37,500,000/- (P.Y.Rs.36,200,000/-) Secured by fixed deposit of Rs. 18,750,000/-.
- b. Allotment money payable on partly paid shares and debentures Rs. 1,782,000/- (Previous year Rs. 1,782,000/-).
- c. Arrears of Dividend on Cumulative 10% Redeemable Preference Shares up to 31st March 2015 is Rs. 5,796,000/- (P.Y. Rs. 4,968,000/-).

Action Financial Services (India) Limited

d. Disputed Income Tax Dues are tabulated as under:

Sr. No.	Name of dues	Forum where Dispute is pending	Period to which amount relates	Amount involved
1	Income Tax	ITAT Mumbai	A.Y. 2008-09	10,130,835/-
2	Tax Deducted at Sources	Commissioner of Income (Appeals), Mumbai	A.Y. 2010-11	129,990/-
3	Tax Deducted at Sources	Commissioner of Income (Appeals), Mumbai	A.Y. 2011-12	143,056/-
4	Tax Deducted at Source	ITO TDS - Rectifications filed / to be filed	Various Years	344,290/-

Note:-

1. The Company had contested Income Tax demand of Rs 10,130,835/- for Assessment Year 2008-09. The Company has paid Rs. 87,51,819/- The company has preferred an appeal in the ITAT against the CIT (A) order.
 2. The Company had contested Income Tax Deducted at Sources of Rs.129,990/- and Rs.143,056/- for Assessment Year 2010-11 and 2011-12. The company has preferred an appeal in CIT (A).
 3. During the year company received notice u/s 131 of the Income Tax Act -1961. The survey was carried out at the premises of the company on 13th June, 2014 and the company officials attended to the notice. No further notice has yet been received from the Income tax Department with regards to this matter.
- e. SEBI has imposed penalty on the company of Rs. 21 lacs under Section 15HA and HB of SEBI Act 1992 vide their order dated 16th May 2014. The Company has filed Appeal with Securities Appellate Tribunal vide Appeal No. 325 of 2014 on 1st September 14. The company is expecting favorable outcome in this respect and hence no provision is made against SEBI order.
- f. Except as described above, there are no pending disputes as on 31st March, 2015 which the company believes would have material adverse effect on the results of operations, cash flow or the financial position of the company.

25. Capital Commitments : Nil

26. Share Warrants :

As per the provisions of the Companies Act 2013, the Company had issued 1,230,000 warrants convertible, within a period of eighteen months from the date of issue, into equal number of equity shares on preferential basis at a price of Rs.38 per warrant to promoter and promoter group on December 4, 2012. During the year the company has not received further subscription and on lapse of eighteen months period i.e. June 3, 2014, the amount of Rs. 11,685,000/- received as subscription is forfeited and is credited to Capital Reserve Account.

Capital Reserve Account consist of amounts on account of forfeiture of warrants Rs. 17,960,000/-.

27. Borrowings

Bank Overdraft:

The company has overdraft facility from scheduled bank of Rs.1.27 Crores (P.Y. Rs. 2.10 Crores) against which outstanding balance as at 31st March, 2015 was Rs.1.27 Crores (P.Y. Rs. 2 Crores). The overdraft facility is secured against Personal Guarantee of both Directors and equitable mortgage of the property own by the company. Facility carries interest ranging from 14 to 14.75%.

28. ICD:

Inter corporate deposit of Rs.9,200,388/- (P.Y. Rs.5,000,388/-) as at 31.03.2015 received from Enpee Enterprises Pvt. Limited is secured against Pledge of Equity shares as well as Company premises in BSE Building. It carries interest @21% p.a. There are no stipulations as to repayment of ICD.

29. Managerial Remuneration:

Whole time directors are paid remuneration of Rs. 175,000/- per month and other perquisites and benefits. The computation of net profit under section 197/198 of the Companies Act, 2013 has not been given since no commission is paid / payable to any director in the current year.

30. Auditors Remuneration

Particulars	2014-15	2013-14
Audit Fees	200,000	150,000
Tax Audit Fees	75,000	50,000
Other Charges , Certification etc	225,000	200,000
Total	500,000	400,000

31. Trade Receivables:

In compliance with RBI guidelines in relation to Non-Banking Financial Companies, the company has provided Rs. nil (P.Y. 157,082/-) as opening provision was more than 0.25% of standard asset as 'Contingent provision against standard assets'. The provision for Non performing assets is maintained at Rs. 857,945/- (P.Y. Rs. 570,554/-) being 10% of receivables outstanding for more than 6 months from due date. The company has written off Rs. 287,391/- being excess provision for Non performing assets included under Other Expenses.

32. Bad debts written off:

During the year the company has written off Rs. 1,77,698/- being bad debts net off write back.

33. Investments:

- (a) The aggregate market value of quoted investments as at 31.03.2015 is Rs.49,004,103/-(P.Y. Rs.55,712,172/-) as against the total cost of quoted investment of Rs.48,687,708/-(P.Y. Rs. 53,968,744 /-).
- (b) No provision for diminution in the value of quoted investment is considered necessary as in the management's view the short fall in market value of few of the script is of temporary nature.

(c) Details of opening and closing stock of investments are given below: -

Name of the Company	As on 31 st March 2015			As on 31 st March 2014		
	No. of Shares	Face Value Rs.	Cost Rs.	No. of Shares	Face Value Rs.	Cost Rs.
(A) Quoted Shares (Fully Paid) at cost						
BALRAMPUR C	-	-	-	16,230	1	883,120
BHART	7,122	5	931,792	7,122	2	931,792
BHEL	7,231	2	2,639,879	7,231	5	2,715,905
BHU STEE STR	27,503	2	13,566,321	27,503	2	13,566,321
CHAMB.FER(DM)	27,150	10	1,238,693	27,150	10	1,238,693
HINDUS CONST	-	-	-	935	1	12,856
HOTEL LEELAV	-	-	-	741	2	14,894
HOUSING DEVE	8,900	2	7,836,799	9,100	2	8,011,003
IFCI LTD	12,122	10	404,674	12,122	10	404,674
INDIA SECURI	-	-	-	1,300	2	15,925
INFOSYS TECH	-	-	-	27	5	89,602
JAIPRAK ASSO	15,230	2	561,690	15,230	2	561,690
MARKSANS PHARMA	27,300	1	230,724	27,300	1	230,724
MCLEOD RUSEL	175	5	51,894	175	5	51,894
PENINSULA LAND	19,616	2	552,940	19,616	2	864,990
RELIANCE	3,460	10	2,836,075	4,460	10	3,901,688
SAKTI SUGAL	17,381	10	356,442	17,381	10	356,442
SAPAN CHEMICALS LIMITED	-	-	-	500	10	645
TATA GLOBAL BECERAGES LIMITED	17,540	1	2,770,885	17,540	1	2,770,885
TCS LTD	8,016	1	14,704,596	7,766	1	14,172,534
TECH MAHINDRA	-	-	-	26,015	10	3,168,163
TTML	545	10	4,306	545	10	4,306
Total (A)			48,687,708			53,968,744
(B) Unquoted Shares (Fully Paid)						
Bangalore Stock Exchange Ltd	7,228	1	1,229,609	7,228	1	1,229,609
BSE Limited	23,257	1	2,683,500	23,257	1	2,683,500
Action Securities Limited	50,000	10	500,000	50,000	10	500,000
Action Commodities Ltd.	100,000	10	8,500,000	100,000	10	8,500,000
Suman Resort	10,000	10	100,000	10,000	10	100,000
Total (B)			13,013,109			13,013,109
Grand Total (A+B)			61,700,817			66,981,853

34. In case of Stock in Trade, full provision for diminution in value of stock amounting to Rs.698,155/- (P.Y. Rs.1,624,690/-) has been made in the accounts.
35. During the year the Company has entered into futures and option contracts on National stock exchange in equity segment and currency segment. The open position as on 31.03.15 is Rs. 20,354,888/- (P.Y. Rs.8,495,282/-)

Action Financial Services (India) Limited

36. Defined Benefit Plan:

The company has applied revised Accounting Standard AS - 15 Employees Benefits notified under the Companies (Accounting Standard) Rules, 2006. Consequent to the introduction of AS - 15, we have obtained the Actuarial Certificate for Valuation of Gratuity and Leave Encashment as under:

a) Gratuity: Disclosures are as under:

Accounting Disclosures Statement			GRATUITY
Period of accounting		31-Mar-15	31-Mar-14
I	<u>Assumptions as at</u>	31-Mar-15	31-Mar-14
	Mortality		I ^{ALM} (2006-08) U ^{IL}
	Interest / Discount Rate	7.77%	8.25%
	Rate of increase in compensation	10.00%	10.00%
	Rate of return (expected) on plan assets		
	Employee Attrition Rate (<i>Past Service (PS)</i>)	PS: 0 to 42 :30%	PS: 0 to 5 : 30%
			PS: 5 to 42 : 5%
	Expected average remaining service	2.28	6.82
II	<u>Changes in Present Value of Obligations</u>	31-Mar-15	31-Mar-14
	PVO at beginning of period	3,454,695	3,691,966
	Interest cost	278,124	284,748
	Current Service Cost	208,092	341,943
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Benefits Paid	(166,985)	(480,943)
	Actuarial (Gain)/Loss on obligation	(897,160)	(383,019)
	PVO at end of period	2,876,766	3,454,695
III	<u>Changes in fair value of plan assets</u>	31-Mar-15	31-Mar-14
	Fair Value of Plan Assets at beginning of period	-	-
	Expected Return on Plan Assets	-	-
	Contributions	166,985	480,943
	Benefit Paid	(166,985)	(480,943)
	Actuarial Gain/(Loss) on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
IV	<u>Fair Value of Plan Assets</u>	31-Mar-15	31-Mar-14
	Fair Value of Plan Assets at beginning of period	-	-
	Actual Return on Plan Assets	-	-
	Contributions	166,985	480,943
	Benefit Paid	(166,985)	(480,943)
	Fair Value of Plan Assets at end of period	-	-
	Funded Status (<i>including unrecognized past service cost</i>)	(2,876,766)	(3,454,695)
	Excess of actual over estimated return on Plan Assets	-	-
V	<u>Experience History</u>	31-Mar-15	31-Mar-14
	(Gain)/Loss on obligation due to change in Assumption	356,599	(421,640)
	Experience (Gain)/ Loss on obligation	(1,253,759)	38,621
	Actuarial Gain/(Loss) on plan assets	-	-

VI	<u>Actuarial Gain/(Loss) Recognized</u>	31-Mar-15	31-Mar-14
	Actuarial Gain/(Loss) for the period (Obligation)	897,160	383,019
	Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	897,160	383,019
	Actuarial Gain/(Loss) recognized for the period	897,160	383,019
	Unrecognized Actuarial Gain/(Loss) at end of period	-	-
VII	<u>Past Service Cost Recognized</u>	31-Mar-15	31-Mar-14
	Past Service Cost - (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Average remaining future service till vesting of the benefit	-	-
	Recognized Past service Cost- non vested benefits	-	-
	Recognized Past service Cost- non vested benefits	-	-
	Unrecognized Past Service Cost- non vested benefits	-	-
VIII	<u>Amounts to be recognized in the balance sheet and statement of profit & loss account</u>	31-Mar-15	31-Mar-14
	PVO at end of period	2,876,766	3,454,695
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	(2,876,766)	(3,454,695)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Unrecognized Past Service Cost- non vested benefits	-	-
	Net Asset/(Liability) recognized in the balance sheet	(2,876,766)	(3,454,695)
IX	<u>Expense recognized in the statement of P & L A/C</u>	31-Mar-15	31-Mar-14
	Current Service Cost	208,092	341,943
	Interest cost	278,124	284,748
	Past Service Cost - (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Unrecognized Past Service Cost- non vested benefits	-	-
	Expected Return on Plan Assets	-	-
	Net Actuarial (Gain)/Loss recognized for the period	(897,160)	(383,019)
	Expense recognized in the statement of P & L A/C	(410,944)	243,672
X	<u>Movements in the Liability recognized in Balance Sheet</u>	31-Mar-15	31-Mar-14
	Opening Net Liability	3,454,695	3,691,966
	Expenses as above	(410,944)	243,672
	Contribution paid	(166,985)	(480,943)
	Closing Net Liability	2,876,766	3,454,695
XI	<u>Schedule III of The Companies Act 2013</u>	31-Mar-15	31-Mar-14
	Current Liability	985,632	300,980
	Non-Current Liability	1,891,134	3,153,715

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b) Leave Encashment: Disclosures are as under:

Accounting Disclosures Statement			<u>COMPENSATED ABSENCE (PL)</u>
	Period of accounting	31-Mar-15	31-Mar-14
			<i>(all figures in Indian Rupees)</i>
I	<u>Assumptions as at</u>	31-Mar-15	31-Mar-14
	Mortality		<u>I/ALM (2006-08) Ult.</u>
	Interest / Discount Rate	7.77%	8.25%
	Rate of increase in compensation	10.00%	10.00%
	Rate of return (expected) on plan assets		
	Employee Attrition Rate(<i>Past Service (PS)</i>)	PS: 0 to 42 : 30%	PS: 0 to 5 : 30%
			PS: 5 to 42 : 5%
	Expected average remaining service	2.28	6.82
II	<u>Changes in present value of obligations</u>	31-Mar-15	31-Mar-14
	PVO at beginning of period	638,272	251,556
	Interest cost	18,382	13,603
	Current Service Cost	323,830	676,972
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Benefits Paid	(830,910)	(173,351)
	Actuarial (Gain)/Loss on obligation	181,851	(130,508)
	PVO at end of period	331,425	638,272
III	<u>Changes in fair value of plan assets</u>	31-Mar-15	31-Mar-14
	Fair Value of Plan Assets at beginning of period	-	-
	Expected Return on Plan Assets	-	-
	Contributions	830,910	173,351
	Benefit Paid	(830,910)	(173,351)
	Actuarial Gain/(Loss) on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
IV	<u>Fair Value of Plan Assets</u>	31-Mar-15	31-Mar-14
	Fair Value of Plan Assets at beginning of period	-	-
	Actual Return on Plan Assets	-	-
	Contributions	830,910	173,351
	Benefit Paid	(830,910)	(173,351)
	Fair Value of Plan Assets at end of period	-	-
	Funded Status (<i>including unrecognized past service cost</i>)	(331,425)	(638,272)
	Excess of actual over estimated return on Plan Assets	-	-
V	<u>Experience History</u>	31-Mar-15	31-Mar-14
	(Gain)/Loss on obligation due to change in Assumption	(22,477)	(296,521)
	Experience (Gain)/ Loss on obligation	204,328	166,013
	Actuarial Gain/(Loss) on plan assets	-	-

VI	<u>Actuarial Gain/(Loss) Recognized</u>	31-Mar-15	31-Mar-14
	Actuarial Gain/(Loss) for the period (Obligation)	(181,851)	130,508
	Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	(181,851)	130,508
	Actuarial Gain/(Loss) recognized for the period	(181,851)	130,508
	Unrecognized Actuarial Gain/(Loss) at end of period	-	-
VII	<u>Past Service Cost Recognized</u>	31-Mar-15	31-Mar-14
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Average remaining future service till vesting of the benefit	-	-
	Recognized Past service Cost- non vested benefits	-	-
	Recognized Past service Cost- non vested benefits	-	-
	Unrecognized Past Service Cost- non vested benefits	-	-
VIII	<u>Amounts to be recognized in the balance sheet and statement of profit & loss account</u>	31-Mar-15	31-Mar-14
	PVO at end of period	331,425	638,272
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	(331,425)	(638,272)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Unrecognized Past Service Cost- non vested benefits	-	-
	Net Asset/(Liability) recognized in the balance sheet	(331,425)	(638,272)
IX	<u>Expense recognized in the statement of P & L A/C</u>	31-Mar-15	31-Mar-14
	Current Service Cost	323,830	676,972
	Interest cost	18,382	13,603
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Unrecognized Past Service Cost- non vested benefits	-	-
	Expected Return on Plan Assets	-	-
	Net Actuarial (Gain)/Loss recognized for the period	181,851	(130,508)
	Expense recognized in the statement of P & L A/C	524,063	560,067
X	<u>Movements in the Liability recognized in Balance Sheet</u>	31-Mar-15	31-Mar-14
	Opening Net Liability	638,272	251,556
	Expenses as above	524,063	560,067
	Contribution paid	(830,910)	(173,351)
	Closing Net Liability	331,425	638,272
XI	<u>Schedule III of The Companies Act 2013</u>	31-Mar-15	31-Mar-14
	Current Liability	184,178	186,563
	Non-Current Liability	211,503	551,753
XII	<u>Short Term Compensated Absence Liability.</u>		
	Valuation date.	31-Mar-15	31-Mar-14
	No of Days	131	120.5
	Amount *	64,256	100,044

(* Not included in the Net Liabilities under Item Movements in the Liability recognized in Balance Sheet)

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37. Provision for Taxation :

Tax provision for the year has been made on the basis of Minimum Alternate Tax (MAT provision) of the Income Tax Act, 1961.

38. Earnings per Share (EPS):

Sr. No.	Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
(A)	Profit /(Loss) After tax (in Rs.)	2,212,564	598,403
(B)	Unpaid Dividend of preference Share (Not Provided) (in Rs.)	828,000	828,000
(C)	Profit /(Loss) attributable to Equity Shareholders (in Rs.) after tax	1,384,564	(229,597)
(D)	Nominal Value of Equity Shares (in Rs.)	10	10
(E)	Weighted Number of Equity Shares outstanding during the Year	12,504,500	12,504,500
(F)	Diluted Number of Equity Shares outstanding during the Year	12,504,500	13,734,500
(G)	Basic Earnings Per Share (in Rs.) (C/E)	0.11	(0.02)
(H)	Diluted Earnings Per Share (in Rs.) (C/F)	0.11	(0.02)

39. a. Based on the details regarding the status of the suppliers, to the extent obtained, no supplier is covered under the Micro, Small and Medium Enterprises Development Act, 2006. The auditors have relied upon the management representation in this regard.

b. To the extent information available with the company, the company does not owe any sum to small scale industrial unit as defined in clause (j) of Section 3 of the Industrial (Development & Regulation) Act, 1951. The auditors have relied upon the management representation in this regard.

40. Disclosures as required by Accounting Standards 19 - Leases are given below: -

a. The Company has taken one office premises under lease and license agreements.

b. Lease payments are recognized in the statement of Profit and Loss under "Rent"

c. The future minimum lease payments under Non Cancellable operating lease:

Particulars	Year Ended 31.03.2015 Amount (Rs.)	Year Ended 31.03.2014 Amount (Rs.)
Not later than one year	961,500	2,520,000
Later than one year and not later than five years	520,844	1,260,000
More than five years	NIL	NIL

41. As per Accounting Standard 18, the disclosures of transaction with the related parties as defined in the Accounting Standard are given below:

a. Relationship & name of related party:

SN.	Relation	Related Party
1.	Enterprise controlling the company	NA
2.	Key Management Personnel	1. Mr. Milan R. Parekh Chairman & Managing Director 2. Mr. Bakul R. Parekh Joint Managing Director & CFO w.e.f. 12/02/2015 3. Jayantilal Suthar CS w.e.f. 01/10/2014
3.	Enterprise controlled by the company	Subsidiaries: 1. Action Securities Limited 2. Action Commodities Limited
4.	Relative of key management Personnel	1. Sagar Parekh 2. Nayana Parekh
5.	Enterprise under control of relative of Key Management Personnel	R. B. Parekh – HUF
6.	Enterprise under common control of Key Management Personnel	M/s. Milan R Parekh

b. Details of transactions with related parties are as follows:

SN.	Relation	Related Party		
1.	Enterprise controlling the Company	NA		
2.	Key Management Personnel	Mr. Milan R Parkeh		
		Nature of Transaction	Current Year	Previous Year
		Remuneration	2,429,574	2,437,960
		Mr. Bakul R Parkeh		
		Nature of Transaction	Current Year	Previous Year
		Remuneration	2,421,699	2,437,960

Action Financial Services (India) Limited

3.	Enterprise controlled by the company	Nature of Transaction	Current Year	Previous Year
		Professional Expenses	1,035,000	1,504,883
		Brokerage income on shares	48,609	7,685
		Rent received	300,000	120,000
		Deposit	75,000	75,000
		Closing Balance	268,824	(103,540)
4.	Relative of key management Personnel	Nature of Transaction	Current Year	Previous Year
		Brokerage	25,867	29,020
		Brokerage	4,287	5,300
		Brokerage	43,248	-
5.	Enterprise under control of relative of Key Management Personnel	None		
6.	Enterprise under common control of Key Management Personnel	None		

42. There are no amount payable towards Investor education and protection fund u/s 125 of the Companies Act, 2013.

43. Long term contracts and derivatives contracts:

The Company does not have long term contract including in the nature of derivative contracts except lease agreement for premises. There are no foreseeable losses on such contracts.

44. Public Deposits:

The Company has not accepted any deposits from public within the meaning of sections 73 to 76 of the Companies Act, 2013 and Rules framed there under.

45. Impact of Schedule II:

In accordance with requirements prescribed under Schedule II of the Companies Act 2013, the company has assessed the estimated useful life of its assets and has adopted the useful life as prescribed in the Schedule II in respect of all assets.

The impact of the change in estimated useful life of the fixed assets are as given below-

- i. The depreciation charged to retained earnings includes the carrying amount of those assets whose remaining useful life has become nil at the beginning of the financial year amounting to Rs. 713,433/- and depreciation credited to retained earnings towards excess depreciation charged in earlier year of Rs. 385,493/- The net effect of above two is Rs. 327,940/-.
 - ii. The depreciation charged to Statement of Profit and Loss is higher by Rs. 618,947/- on account of changes in estimated useful life.
46. Company's primary business activities are Broking and Depository Services, both are covered under one broad segment of Share broking activities hence segment reporting is not applicable.
 47. Exceptional items consist of profit on sale of fixed assets (office premise) during the year and does not constitute sale of substantial part of Fixed Assets.
 48. Previous year's figures have been regrouped, reclassified and/or renamed to confirm to this year's classification.

As per our report of even date

For Ford,Rhodes,Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

A. D. Shenoy
Partner
Membership No.11549

Place : Mumbai
Date: 29th May 2015

For and on behalf of the Board

Milan R. Parekh
Chairman & Managing Director
DIN : 00108368

Bakul R. Parekh
Joint Managing Director & CFO
DIN : 00108609

Place : Mumbai
Date: 29th May 2015

DIRECTORS' REPORT

To,
The Members,
Action Securities Limited,

Dear Sir/Madam

The Directors have pleasure in presenting the 8th Annual Report together with the Audited Financial Statement for the year ended on 31st March, 2015.

FINANCIAL RESULTS

	Year ended 31.3.2015	Year ended 31.3.2014
Revenue from operations & other Income	6,49,870	7,35,131
Profit (Loss) before Depreciation	(88,126)	2,78,912
Less: Depreciation	-	2,459
Profit (Loss) After Depreciation & before Tax	(88,126)	2,76,453
- Taxation Current Year	-	42,400
- Deferred Tax	(26,474)	83,184
Profit /(Loss) after tax	(61,652)	1,50,869

FUTURE OUTLOOK & EXPANSION PLAN:

The company is focused on building a long term stable business with emphasis on business of research in capital market.

DIVIDEND

The Company do not recommend any dividend for the year ended 31st March, 2015.

TRANSFER TO RESERVE

The Company did not transfer any amount to reserve this year.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2015 was Rs.5,00,000/- . During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

FINANCIAL PERFORMANCE

The Company has reported loss of Rs. 61,652/- for the financial year 31st March 2015.

OVERVIEW:

Company does the research activity exclusively for the parent company i.e. Action Financial Services (India) Limited.

FINANCE

The Company has not availed any credit facilities from Bank.

DEPOSITS

Your Company has not accepted any deposits in terms of the provisions of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 as amended, during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the requirements of the Companies Act, 2013, Mr. Sagar M Parekh (DIN: 01685383) will retire by rotation being eligible, has offered himself for re-appointment.

ANNUAL EVALUATION BY THE BOARD

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings.
- ii. Quality of contribution to Board deliberations
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance
- iv. Providing perspectives and feedback going beyond information provided by the management
- v. Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her

DIRECTOR RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub section (3) of section 134 of Companies Act, 2013 shall State that;

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF MEETING OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Mumbai. The Agenda of the Board / Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met four times in financial year 2014-2015 and the maximum interval between any two meetings did not exceed 120 days as follows;

1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
29.05.2014	08.08.2014	12.11.2014	12.02.2015

AUDITORS

M/s Ford, Rhodes, Parks & Co. (Firm Registration No.102860W), Chartered Accountants, Mumbai, were appointed as Statutory Auditors for a period of 3 years in the Annual General Meeting held on 30th September, 2014.

Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting.

The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

Further the Auditors' Report for the financial year ended, 31st March, 2015 is annexed herewith for your kind perusal and information.

INSURANCE

All the properties of your Company including Office Premises Furniture & Fixtures Office Equipments and Computer are adequately insured.

PARTICULARS OF REMUNERATION

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees is not required to be given as no directors or KMP is being paid remuneration.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings and outgo during the year. Since the Company does not own any manufacturing facility, the amount of consumption of energy is insignificant and therefore the details are not reported and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as required under Section 92(3) is attached in form MGT-9. Annexure A.

PARTICULAR OF LOAN, GUARANTEES & INVESTMENT

The detail of loans given by the company is given in the note no. 9 to the Financial Statement and there were no guarantee given and made any Investment covered under the provisions of section 186 of the Companies Act, 2013.

DISCLOSURE OF RELATED PARTY TRANSACTION

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business.

Action Financial Services (India) Limited

There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

INTERNAL CONTROL SYSTEM

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors.

ACKNOWLEDGEMENT

Your Directors would take this opportunity to express its deep appreciation for the co-operation and assistance received from the shareholders, Company's clients, suppliers, bankers and other authorities during the year under review. Your Directors also wish to place on record their appreciation for the services rendered by all the employees of your Company.

For and on Behalf of the Board

Place: Mumbai

Date: 29th May, 2015

Milan R. Parekh
Chairman
(DIN : 00108368)

ANNEXURE - A
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2015

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U67120MH2007PLC175874
2.	Registration Date	13/11/2007
3.	Name of the Company	ACTION SECURITIES LIMITED
4.	Category/Sub-category of the Company	PUBLIC COMPANY/ LIMITED BY SHARES
5.	Address of the Registered office & contact details	46 &47 RAJGIR CHAMBERS, 12/14, SHAHID BHAGAT SINGH ROAD,FORT, MUMBAI, MAHARASHTRA - 400 023, INDIA. Contact: 022-43654444,022-43654446/45/47 Email Address- actionfin@gmail.com
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Financial consultancy services	99715910	76.17

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	%of sharesheld	Applicable Section
1.	ACTION FINANCIAL SERVICES (INDIA) LIMITED	L65944MH1992P LC068879	Holding	100	2(46)

Action Financial Services (India) Limited

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	50000	50000	100	0	50000	50000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	0	50000	50000	100	0	50000	50000	100	0
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	0	50000	50000	100	0	50000	50000	100	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1):-	0	0	0	0	0	0	0	0	0
(2) Non- Institutions									
a) Bodies Corp	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2):-	0	0	0	0	0	0	0	0	0

Total Public Shareholding (B)=(B) (1)+(B) (2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	50000	50000	100	0	50000	50000	100	0

(ii) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	%of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. Of Shares	%of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	ACTION FINANCIAL SERVICES (INDIA) LIMITED	49400	98.80	0	49400	98.80	0	0
2.	MILAN R PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	0	100	0.20	0	0
3.	BAKUL RAMNIKAL PAREKH Jt. ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	0	100	0.20	0	0
4.	NAYANA MILAN PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	0	100	0.20	0	0
5.	KETKI BAKUL PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	0	100	0.20	0	0
6.	RADHAKRISHNA SUJIR NAYAK Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	0	100	0.20	0	0
7.	SAGAR MILAN PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	0	100	0.20	0	0
	Total	50000	100	0	50000	100	0	0

(iii) Change in Promoters' Shareholding
(please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	At the beginning of the year	50000	100	50000	100

Action Financial Services (India) Limited

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
1.	-	-	-	-	-
	At the End of	50000	100	50000	100

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus /sweat equity etc):	0	0	0	0
1.		-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	0	0	0	0

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0	0	0	0
1.		-	-	-	-
	At the End of the year	0	0	0	0

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
? Addition	0	0	0	0
? Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors
and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Milan Parekh	Mr. Bakul Parekh	Mr. Sagar Parekh	
	Gross salary	0	0	0	0
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
	Sweat Equity	0	0	0	0
3	Commission - as % of profit - others, specify...	0	0	0	0

Action Financial Services (India) Limited

4	Others-Leave Encashment				
	Total (A)	0	0	0	0
	Ceiling as per the Act				

B. Remuneration to other directors
1. Independent Director & Other Non-Executive Directors : NA

Sr. No.	Particulars of Remuneration			Total Amount
1	Executive Directors	0	0	0
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (1)	0	0	0
2	Other Non-Executive Independent Directors	0	0	0
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	0	0	0
	Total (B)=(1+2)	0	0	0

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
					Total
	Name of the Key Managerial Personnel other than MD/Manager/WTD	-	-	-	-
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-

2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

Independent Auditor's Report

to the members of Action Securities Ltd

Report on the Financial Statements for the year ended 31st March, 2015

We have audited the accompanying financial statements of Action Securities Ltd ("the Company") which comprise the balance sheet as at 31st March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures

selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as issued by Central Government of India in terms of sub section (11) of section 143 of Companies Act, 2013 (18 of 2013) we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - i. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- iv. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ; and
 - v. on the basis of written representations received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There is no pending litigation having any impact on financial position of company.
 - ii. As represented by the company, there are no foreseeable material losses in respect of long-term contracts including derivative contracts. There are no long term Contract including Derivative Contract.
 - iii. As represented by the company, there are no amounts required to be transferred to Investor Education and Protection Fund by the Company.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Place: Mumbai
Date: 29th May, 2015

A.D. Shenoy
Partner
Membership No.11549

Annexure to the Auditors' Report

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of Action Securities Ltd on the financial statements for the year ended 31st March, 2015]

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b) Fixed Assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
2. The Company does not have any stocks of raw materials, stores, spares parts and finished goods. Hence clause (ii) of the Order does not apply to the company.
3. The Company has not granted any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of shares and fixed asset and for providing services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. The Company has not accepted any deposits from the public, within the meaning of Sections 73 to 76 of Companies Act, 2013 and the rules framed there under.
6. The Central Government has not prescribed maintenance of cost records under Section 148 of the Companies Act, 2013.
7. a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authorities.

There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.

- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax, service tax, customs duty and cess as at 31st March 2015, which has not been deposited on account of dispute.
8. The Company is registered over 5 years. The Company has incurred cash losses of Rs.88,126/- in the current financial year but has not incurred any cash loss in the immediately preceding financial years. The Company has Accumulated loss at the end of the financial year is Rs.3,86,320/- (PY of Rs.3,24,632/-).
9. According to the information and explanations given to us and records of the Company examined by us the company does not have any Borrowing from any financial institution or bank or by way of debenture as at the Balance Sheet date.
10. According to the information and explanations given to us the Company has not given any guarantees for loans taken by others from banks or financial institution during the year.
11. The Company has not obtained any term loans.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Place: Mumbai
Date: 29th May, 2015

A.D. Shenoy
Partner
Membership No.11549

Action Securities Limited
BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Note. No.	Current Year Rs.	Previous Year Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	500,000	500,000
Reserves and surplus	3	(386,320)	(324,632)
		113,680	175,368
Current liabilities			
Trade payables		361,492	25,851
Other current liabilities	4	25,204	14,030
Short-term provisions	5	42,400	42,400
		429,096	82,281
Total		542,776	257,649
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	6	3,652	3,688
Deferred tax assets (net)	7	89,093	62,619
		92,745	66,307
Current assets			
Cash and Bank Balance	8	6,350	19,210
Short term Loans and Advances	9	310,066	26,872
Other Current assets	10	133,615	145,260
		450,031	191,342
Total		542,776	257,649

Significant Accounting Policies

1

Notes to Accounts

2 - 30

Significant Accounting Policies & Notes to Accounts forms an integral part of the accounts.

As per our report of even date

For and on behalf of the Board

For Ford,Rhodes,Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
Director
DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
Director
DIN : 00108609

Place : Mumbai
Date: 29th May 2015

Place : Mumbai
Date: 29th May 2015

Action Securities Limited

Statement of Profit and loss for the year ended 31st March 2015

Particulars	Note. No.	Current Year Rs.	Previous Year Rs.
Revenue			
Revenue from operations	11	495,000	731,630
Other income	12	154,870	3,501
Total		649,870	735,131
Expenses			
Employee benefits expense	13	506,700	430,080
Depreciation and amortization expense	6	-	2,459
Other expenses	14	231,296	26,139
Total		737,996	458,678
Profit/(loss) before tax		(88,126)	276,453
Tax expense:			
Current tax (MAT)		-	42,400
Deferred tax	7	(26,474)	83,184
Profit / (Loss) for the year		(61,652)	150,869
Earnings per equity share of Rs. 10 each:			
Basic/ Diluted		(1.23)	3.02

Significant Accounting Policies

1

Notes to Accounts

2 - 30

Significant Accounting Policies & Notes to Accounts forms an integral part of the accounts.

As per our report of even date

For and on behalf of the Board

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
 Director
 DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
 Director
 DIN : 00108609

Place : Mumbai
 Date: 29th May 2015

Place : Mumbai
 Date: 29th May 2015

Action Securities Limited
Cash Flow Statement for The year ended 31st March 2015

Particulars	Current Year Rs.	Previous Year Rs.
A. Cash Flow From Operating Activities:		
Profit / (Loss) Before Tax	(88,126)	276,453
Add/(Less) Non-Cash And Non-Operating Items		
Interest on IT Refund	(3,431)	-
Adjustments For Depreciation	-	2,459
Operating Profit / (Loss)Before Working Capital Changes	(91,557)	278,912
Changes In Working Capital		
(Increase) / Decrease In Current Assets		
Increase / (Decrease) In Trade Payables	335,641	(205,222)
(Increase) / Decrease In Short term loan and advance	(283,194)	(26,872)
Increase / (Decrease) In other Current Liabilities	11,174	(13,574)
	63,621	(245,668)
Cash Generated From Operations(B+C)	(27,936)	33,244
Less: Taxes Paid (Net)	11,645	(54,981)
Net Cash Flow From Operating Activities	(16,291)	(21,737)
B Cash Flow From Investing Activities	3,431	-
Interest on IT Refund		
Net Cash Used In Investing Activities	3,431	-
	(12,860)	(21,737)
C Net Cash Flow From Financing Activities		
Net Cash Generated /(Used) From Financing Activities	-	-
Net Changes In Cash & Cash Equivalents (A+B+C)	(12,860)	(21,737)
Cash & Cash Equivalents As At End Of Financial Year		
- Bank Balance	6,350	19,210
- Cash Balance	-	-
Less: Cash & Cash Equivalents As At The Beginning Of Financial Year	19,210	40,947
Net Changes In Cash & Cash Equivalents	(12,860)	(21,737)

Note:

- Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals.
- Figures in brackets denotes outflows.
- Cash and cash equivalents for the purpose of cash flow statement comprise of Cash at bank and in hand and short term investments with an original maturity of three months or less. Bank fixed deposits with maturity period over 12 months at balance sheet date is classified as other non-current asset.
- Previous years figures have been regrouped, reclassified and /or renamed to conform to this years classification.

As per our report of even date

For and on behalf of the Board

For Ford,Rhodes,Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
 Director
 DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
 Director
 DIN : 00108609

Place : Mumbai
 Date: 29th May 2015

Place : Mumbai
 Date: 29th May 2015

Action Financial Services (India) Limited

Note forming part of Financial Statements for the year ended 31st March 2015.

1. Significant Accounting Policies and Corporate Information:

Corporate Information

Action Securities Limited is wholly owned subsidiary of Action Financial Services (India) Limited. The main object of the company is share broking and depository services; however the company is yet to start the full-fledged activities.

Significant Accounting Policies:

a. Accounting Concepts

The Financial statements of the Company have been prepared on accrual basis under historical cost convention, in accordance with Generally Accepted Accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard or a more appropriate presentation of the financial statements requires a change in the accounting policy hitherto in use.

b. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

c. Revenue Recognition

- (i) Income from broking activities and depository services are recognized only when it is reasonably certain that the ultimate collection will be made.
- (ii) Income from trading in securities and Derivatives comprises of profit or loss on sale of securities held as stock in trade and profit or loss on Derivative instruments is accounted for based on the "Guidance note on accounting for Equity Index and Equity Stock Futures and Options".
- (iii) Interest income is recognized on time proportionate basis.

d. Fixed Assets

All the fixed assets are accounted at cost of acquisition less accumulated depreciation.

e. Depreciation/Amortization

Depreciation on Fixed Assets is provided over the useful life of asset as specified under Schedule II of the Companies Act, 2013 under Written Down Value Method

f. Impairment of Fixed Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

g. Taxation

(i) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

(ii) Deferred tax is recognized, subject to prudence, on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized for unabsorbed depreciation and carry forward losses to the extent there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

h. Employee benefits

There are no employees eligible for gratuity as such no provision for gratuity is considered in accounts. Leave salary is accounted on payment basis. Also there are no employees eligible for PF and ESIC. Other employee benefits are accounted on accrual basis.

i. Earnings per Share

In determining the earning per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary / exceptional items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per shares comprises the weighted average shares considered for deriving the basic earnings per share and also weighted

average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for any stock split and bonus shares issued.

j. Provisions for Contingent liabilities and Contingent assets

A provision is recognized for a present obligation as result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions are determined based on net estimate of the amount required to settle the obligation at the Balance sheet date. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes to Financial Statements for the year ended 31st March 2015

2 Details of share Capital

A) Details of Authorised, issued, subscribed and paid up capital

Particulars	Current Year	Previous Year
Authorized share capital 500,000 Equity Shares of Rs. 10 each (Previous year 500,000 Equity Shares of Rs. 10 each)	5,000,000	5,000,000
Issued, Subscribed & fully paid up share capital 50,000 Equity Shares of Rs. 10 each (Previous year 50,000 Equity Shares of Rs. 10 each)	500,000	500,000

B) Reconciliation of number of shares outstanding at beginning & end of the year.

(No. of Shares)

Particulars	Current Year	Previous Year
Opening balance	50,000	50,000
Closing Balance	50,000	50,000

Notes:-

- All 50,000 Equity Shares are held by the holding company, viz. Action Financial Services (India) Ltd and its nominees.
- The company has only one class of Equity shares having par value of Rs.10/-. The equity share have rights, Preferences and restrictions which are in accordance with the provision of law, in particular the Companies Act 2013.

- (C) Details of Shares issued for consideration other than cash, bonus issue or buy back in last 5 years

There are no transactions in above categories.

D Shareholder's Information

(No. of Shares)

Particulars	Current Year	Previous Year
Shares held by Group Company Action Financial Services (India) Limited (100%)	50,000	50,000

- (e) There are no convertible securities issued and outstanding as on Balance sheet date.
- (f) There are no shares reserved for issue under options and contracts /commitments for sale of Shares/disinvestment.
- (g) There are no unpaid calls as at Balance sheet date.
- (h) There are no forfeited shares on Balance sheet date.

3 Reserves & Surplus

Particulars	Current Year	Previous Year
Surplus as per Statement of Profit & Loss		
Opening Balance	(324,632)	(475,501)
Add: Profit/(loss) for the year	(61,652)	150,869
Less: Adjustment of Depreciation as per Schedule II Company's Act, 2013	(36)	-
Closing Balance	(386,320)	(324,632)

4 Other Current Liabilities

Particulars	Current Year	Previous Year
Statutory Liabilities -Professional Tax	375	350
Others payables -Salary Payables	24,829	13,680
Total	25,204	14,030

5 Short term Provisions

Particulars	Current Year	Previous Year
Provision for Taxation (MAT Provision for A.Y. 2014-15)	42,400	42,400
Total	42,400	42,400

Action Securities Limited
Notes to Financial Statements for the year ended 31st March 2015 (Contd.)

Note 6

Fixed Assets

Particulars	Gross Block				Depreciation			Net Block		
	As at 01.04.2014	Additions	Deduction	Closing Balance	Upto 31.03.2014	For the Year	Adjustment	Total	As at 31.03.2015	As at 31.03.2014
Tangible Assets										
Computer	73,042	-	-	73,042	69,354	-	(36)	69,390	3,652	3,688
Total	73,042	-	-	73,042	69,354	-	(36)	69,390	3,652	3,688
Previous Year	73,042	-	-	73,042	66,895	2,459		69,354	3,688	

7 Deferred tax Asset (Net)

Particulars	As at 31.03.2014	For the year	As at 31.03.2015
WDV differential	(1,020)	(43)	(1,063)
Unabsorbed Depreciation	20,572	53	20,625
Business Loss	43,067	26,464	69,531
Deferred tax Asset / (Liability) (Net)	62,619	26,474	89,093

8 Cash & bank Balances

Particulars	Current Year	Previous Year
Cash & Cash equivalents		
Balances with ICICI bank	6,350	19,210
Total	6,350	19,210

9 Short term loans and advances

Particulars	Current Year	Previous Year
Loans & Advances	268,241	-
Unsecured, considered good - employee loan	34,000	26,872
Advance Salary	7,825	-
Total	310,066	26,872

10 Other Current Assets

Particulars	Current Year	Previous Year
TDS receivables	133,615	145,260
Total	133,615	145,260

11 Revenue From Operations

Particulars	Current Year	Previous Year
Professional Income	495,000	731,630
Total	495,000	731,630

12 Other Income

Particulars	Current Year	Previous Year
Profit on Derivative Transaction	79,435	-
Interest on IT Refund	3,431	1,001
Miscellaneous income	4	2,500
Rent	72,000	-
Total	154,870	3,501

Action Financial Services (India) Limited

13 Employee Benefits Expenses

Particulars	Current Year	Previous Year
Salary & wages	505,450	428,993
Leave Encashment	-	1,088
Staff welfare Expenses	1,250	-
Total	506,700	430,081

14 Other Expenses

Particulars	Current Year	Previous Year
Expenses on Derivatives	21,070	-
Professional Tax (Company)	2,500	2,500
Rent, Rates & Taxes	180,000	1,116
Auditors Remuneration	19,101	19,112
Other expense	8,625	3,411
Total	231,296	26,139

15 Contingent Liabilities and Commitments
(to the extent not provided for): NIL

16 Managerial Remuneration: NIL

17 Auditors Remuneration:

Particulars	2014-15	2013-14
Audit Fees	19,101	19,112

18 Unsecured Loans: NIL

19 Employee Benefit:

There are no employees eligible for gratuity, leave salary or provident fund etc. as such no provision is considered for this year.

20 As the company has not started its full fledged activities, hence segment reporting is not applicable.

21 Related Party disclosures:

As per Accounting Standard 18, the disclosures of transaction with the related parties as defined in the Accounting Standard are given below:

List of related parties with whom transactions have taken place and relationships:

S.N.	Relationship	Name of the Related Party
1.	Holding Company	Action Financial Services (India) Limited
2.	Key Management Personnel	Mr. Milan R. Parekh (Director) Mr. Bakul R. Parekh (Director)
3.	Transaction with Holding Company	Expenses on Shares: Rs. 21,070/- (P.Y. Rs NIL) Professional fees Income : Rs. 4,95,000/- (P.Y. Rs. 7,31,630/-) Rent Expenses : Rs.1,80,000/- (P.Y. Rs.NIL)
4.	Transaction with Key Management Personnel	NIL

- 22 Disclosures as required by Accounting Standards 19- Leases are given below:
- The Company has taken office premises on rent for 11 months.
 - Rent payments are recognized in the statement of Profit and Loss under "Rent"
 - The future minimum lease payments under Non Cancelable operating lease is as under:

Particulars	Current Year 31.03.2015	Previous Year 31.03-2014
Not later than one year	1,80,000	NIL
Later than one year and not later than five years	NIL	NIL
More than five years	NIL	NIL

- 23 Earnings per Share (EPS):

Sr No.	Particulars	Current Year 31.03.2015	Previous Year 31.03-2014
(A)	Profit / (Loss) attributable to Equity Shareholders (in Rs.) after tax	(61,652)	150,869
(B)	Nominal Value of Equity Shares (in Rs.)	10	10
(C)	Weighted / Diluted Number of Equity Shares outstanding during the Year	50,000	50,000
(D)	Basic / Diluted Earning Per Share (in Rs.) (A/C)	(1.23)	3.02

- 24 Provisions for Deferred Tax:

a) Income Tax:

Due to loss during the year, no provision for income tax is considered.

b) Deferred Tax:

Deferred Tax has been considered on timing differences between book and taxable profits. Component of Deferred Tax Assets/ (Liability) as at 31.03.2015 are as shown under note no. 7.

- 25
- Based on the details regarding the status of the suppliers, to the extent obtained, no supplier is covered under the Micro, Small and Medium Enterprises Development Act, 2006. The auditors have relied upon the management representation in this regard.
 - To the extent information available with the company, the company does not owe any sum to small scale industrial unit as defined in clause (j) of Section 3 of the Industrial (Development & Regulation) Act, 1951. The auditors have relied upon the management representation in this regard.

Action Financial Services (India) Limited

- 26 There are no amount payable towards Investor Education and Protection Fund u/s 125 of the Companies Act, 2013.
- 27 Long term contracts and derivatives contracts: \
- The Company does not have long term contract including in the nature of derivative contracts except lease agreement for premises. There are no foreseeable losses on such contracts.
- 28 Public Deposits:
- The Company has not accepted any deposits from public within the meaning of sections 73 to 76 of the Companies Act 2013 and Rules framed there under.
- 29 Impact of Schedule II:
- In accordance with requirements prescribed under Schedule II of the Companies Act 2013, the company has assessed the estimated useful life of its assets and has adopted the useful life as prescribed in the Schedule II in respect of all assets.
- The impact of the change in estimated useful life of the fixed assets is as given below-
- (i) The carrying amount of those assets whose remaining useful life has become nil at the beginning of the financial year amounting to Rs.36/- has been charged to Reserves and Surplus Account.
- (ii) The depreciation charged to Statement of Profit and Loss is lower by Rs 1,475/- on account of changes in estimated useful life.
- 30 Previous year's figures have been regrouped, reclassified and/or renamed to confirm to this year's classification.

As per our report of even date

For and on behalf of the Board

For Ford,Rhodes,Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
Director
DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
Director
DIN : 00108609

Place : Mumbai
Date: 29th May 2015

Place : Mumbai
Date: 29th May 2015

DIRECTORS' REPORT

To,
The Members,
Action Commodities Limited,

Dear Sir/Madam

The Directors have pleasure in presenting the 6th Annual Report together with the Audited Financial Statement for the year ended on 31st March, 2015.

FINANCIAL RESULTS

	Year ended 31.3.2015	Year ended 31.3.2014
Revenue from operations & other Income	6,66,383	7,80,120
Profit (Loss) before Depreciation	(1,77,839)	59,815
Less: Depreciation	1,973	14,265
Profit (Loss) After Depreciation & before Tax	(1,79,812)	45,550
- Taxation Current Year	-	28,200
- Deferred Tax	59,480	3,63,496
Profit /(Loss) after tax	(1,20,332)	3,80,845

FUTURE OUTLOOK & EXPANSION PLAN:

The company is focused on building a long term stable business with emphasis on business of Account opening for Insurance policies Demat. This is a new business development for which your company has got the membership for opening E-Insurance Account through NDML. As regards the commodity membership which is still pending to be transferred to your company's name due to parent company's pending case at SAT.

DIVIDEND

The Company do not recommend any dividend for the year ended 31st March, 2015.

TRANSFER TO RESERVE

The Company did not transfer any amount to reserve this year.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2015 was Rs.10,00,000. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

FINANCIAL PERFORMANCE

The Company has reported loss of Rs.1,20,332/- for the financial year 31st March 2015.

OVERVIEW:

IRDA is planning to make it compulsory for Life, Medical & General Insurance policy holders to make it compulsory in near future. These changes can give a very big business opportunity to your company in coming years.

FINANCE

The Company has not availed any credit facilities from Bank.

DEPOSITS

Your Company has not accepted any deposits in terms of the provisions of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 as amended, during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the requirements of the Companies Act, 2013, Mr. Bakul R Parekh (DIN : 00108609) will retire by rotation being eligible, has offered himself for re-appointment.

ANNUAL EVALUATION BY THE BOARD

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings.
- ii. Quality of contribution to Board deliberations
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance
- iv. Providing perspectives and feedback going beyond information provided by the management
- v. Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her

DIRECTOR RESPONSIBILITY STATEMENT

The Directors Responsibility Statement referred to in clause (c) of sub section (3) of section 134 of Companies Act, 2013 shall State that;

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF MEETING OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Mumbai. The Agenda of the Board / Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met five times in financial year 2014-2015 and the maximum interval between any two meetings did not exceed 120 days as follows;

1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
10.04.2014	08.08.2014	12.11.2014	12.02.2015
29.05.2014			

AUDITORS

M/s Ford, Rhodes, Parks & Co. (Firm Registration No.102860W), Chartered Accountants, Mumbai, were appointed as Statutory Auditors for a period of 3 years in the Annual General Meeting held on 30th September, 2014.

Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting.

The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment.

There are no qualifications or adverse remarks in the Auditors Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

Further the Auditors' Report for the financial year ended, 31st March, 2015 is annexed herewith for your kind perusal and information.

INSURANCE

All the properties of your Company including Office Premises Furniture & Fixtures Office Equipments and Computer, are adequately insured.

PARTICULARS OF REMUNERATION

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees is not required to be given as no directors or KMP is being paid remuneration.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings and outgo during the year. Since the Company does not own any manufacturing facility, the amount of consumption of energy is insignificant and therefore the details are not reported and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as required under Section 92(3) is attached in form MGT-9. Annexure A.

PARTICULAR OF LOAN, GUARANTEES & INVESTMENT

The Company has not given any loan and guarantee and the investments made by the Company is given in the note no. 21 to the Financial Statement.

DISCLOSURE OF RELATED PARTY TRANSACTION

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

INTERNAL CONTROL SYSTEM

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors.

ACKNOWLEDGEMENT

Your Directors would take this opportunity to express its deep appreciation for the co-operation and assistance received from the shareholders, Company's clients, suppliers, bankers and other authorities during the year under review. Your Directors also wish to place on record their appreciation for the services rendered by all the employees of your Company.

For and on Behalf of the Board

Place: Mumbai

Date: 29th May, 2015

Milan R. Parekh
Chairman
(DIN : 00108368)

Action Financial Services (India) Limited

ANNEXURE - A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2015

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65999MH2009PLC194732
2.	Registration Date	07/08/2009
3.	Name of the Company	ACTION COMMODITIES LIMITED
4.	Category/Sub-category of the Company	PUBLIC COMPANY/ LIMITED BY SHARES
5.	Address of the Registered office & contact details	46 &47 RAJGIR CHAMBERS, 12/14, SHAHID BHAGAT SINGH ROAD,FORT, MUMBAI, MAHARASHTRA - 400 023, INDIA. Contact: 022-43654444,022-43654446/45/47 Email Address- actionfin@gmail.com
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Financial consultancy services	99715910	81.03%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	%of sharesheld	Applicable Section
1.	ACTION FINANCIAL SERVICES (INDIA) LIMITED	L65944MH1992P LC068879	Holding	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters'									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	100,000	100,000	100	0	100,000	100,000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	0	100,000	100,000	100	0	100,000	100,000	100	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	100,000	100,000	100	0	100,000	100,000	100	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1):-	0	0	0	0	0	0	0	0	0
(2) Non- Institutions									
a) Bodies Corp	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2):-	0	0	0	0	0	0	0	0	0

Action Financial Services (India) Limited

Total Public Shareholding (B)=(B) (1)+(B) (2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	100,000	100,000	100	0	100,000	100,000	100	0

(ii) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	%of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. Of Shares	%of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	ACTION FINANCIAL SERVICES (INDIA) LIMITED	99400	99.40	0	99400	99.40	0	0
2.	MILAN R PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10	0	100	0.10	0	0
3.	BAKUL RAMNIKAL PAREKH Jt. ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10	0	100	0.10	0	0
4.	NAYANA MILAN PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10	0	100	0.10	0	0
5.	KETKI BAKUL PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10	0	100	0.10	0	0
6.	SAGAR MILAN PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10	0	100	0.10	0	0
	Total	100,000	100	0	100,000	100	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	At the beginning of the year	100,000	100	100,000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of	100,000	100	100,000	100

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus /sweat equity etc):	0	0	0	0
1.		0	0	0	0
	At the End of the year (or on the date of separation, if separated during the year)	0	0	0	0

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0	0	0	0
1.		0	0	0	0
	At the End of the year	0	0	0	0

Action Financial Services (India) Limited

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
? Addition	0	0	0	0
? Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Milan Parekh	Mr. Bakul Parekh	Mr. Sagar Parekh	
	Gross salary	0	0	0	0
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3.	Sweat Equity				
	Commission - as % of profit - others, specify...				

4	Others-Leave Encashment				
	Total (A)	0	0	0	0
	Ceiling as per the Act				

B. Remuneration to other directors

1. Independent Director & Other Non-Executive Directors : NA

Sr. No.	Particulars of Remuneration				Total Amount
1	Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Independent Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
					Total
	Name of the Key Managerial Personnel other than MD/Manager/WTD				
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-

Action Financial Services (India) Limited

2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Independent Auditor's Report
to the members of Action Commodities Ltd

Report on the Financial Statements for the year ended 31st March, 2015

We have audited the accompanying financial statements of Action Commodities Ltd ("the Company") which comprise the balance sheet as at 31st March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as issued by Central Government of India in terms of sub section (11) of section 143 of Companies Act, 2013 (18 of 2013) we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - i. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- iii. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - iv. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ; and
 - v. on the basis of written representations received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There is no pending litigation having any impact on financial position of company.
 - ii. As represented by the company, there are no foreseeable material losses in respect of long-term contracts including derivative contracts. There are no long term Contract including Derivative Contract.
 - iii. As represented by the company, there are no amounts required to be transferred to Investor Education and Protection Fund by the Company.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Place: Mumbai
Date: 29th May, 2015

A.D. Shenoy
Partner
Membership No.11549

Annexure to the Auditors' Report

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of Action Commodities Ltd on the financial statements for the year ended 31st March, 2015]

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b) Fixed Assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
2. The Company does not have any stocks of raw materials, stores, spares parts and finished goods. Hence clause (ii) of the Order does not apply to the company.
3. The Company has not granted any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of shares and fixed asset and for providing services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. The Company has not accepted any deposits from the public, within the meaning of Sections 73 to 76 of Companies Act, 2013 and the rules framed there under.
6. The Central Government has not prescribed maintenance of cost records under Section 148 of the Companies Act, 2013.
7. a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.

- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax, service tax, customs duty and cess as at 31st March 2015, which has not been deposited on account of dispute
8. The Company is registered over 5 years. The Company has incurred cash losses of Rs.1,77,839/- in the current financial year but has not incurred any cash loss in the immediately preceding financial years. The Company has Accumulated loss at the end of the financial year is Rs.5,14,007/- (PY of Rs.3,81,527/-).
9. According to the information and explanations given to us and records of the Company examined by us the company does not have any Borrowing from any financial institution or bank or by way of debenture as at the Balance Sheet date.
10. According to the information and explanations given to us the Company has not given any guarantees for loans taken by others from banks or financial institution during the year.
11. The Company has not obtained any term loans.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Place: Mumbai
Date: 29th May, 2015

A.D. Shenoy
Partner
Membership No.11549

Action Commodities Limited
BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Note. No.	Current Year Rs.	Previous Year Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,000,000	1,000,000
Reserves and surplus	3	6,985,993	7,118,473
		7,985,993	8,118,473
Current liabilities.			
Trade payables		247,962	22,276
Other current liabilities	5	60,600	25,000
Short-term provisions	6	28,200	28,200
		336,762	75,476
TOTAL		8,322,755	8,193,949
ASSETS			
Non-current assets			
Fixed assets	7		
Tangible assets		9,250	21,398
Intangible assets		1,159,357	1,121,330
		1,168,607	1,142,728
Non-current investments	8	6,608,032	6,608,032
Deferred tax assets (net)	4	218,848	159,368
Long-term loans and advances	9	75,000	75,000
		8,070,488	7,985,128
Current assets			
Cash and Bank Balances	10	17,345	22,852
Other current assets	11	234,923	185,969
		252,267	208,821
TOTAL		8,322,755	8,193,949

Significant Accounting Policies

1

Notes to Accounts

2-33

Significant Accounting Policies & Notes to Accounts forms an integral part of the accounts.

As per our report of even date

For and on behalf of the Board

For Ford,Rhodes,Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
 Director
 DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
 Director
 DIN : 00108609

Place : Mumbai
 Date: 29th May 2015

Place : Mumbai
 Date: 29th May 2015

Action Commodities Limited
Statement of Profit and loss for the year ended 31st March 2015

Particulars	Note. No.	Current Year Rs.	Previous Year Rs.
Revenue			
Revenue from operations	12	540,000	773,253
Other income	13	126,383	6,867
Total		666,383	780,120
Expenses			
Employee benefits expense	14	561,974	546,800
Depreciation and amortization expense	7	1,973	14,265
Other expenses	15	282,248	173,505
Total		846,195	734,570
Profit/(loss) before tax		(179,812)	45,550
Tax expense:			
Current tax (MAT)	-	-	28,200
Less : Mat credit entitlement	-	-	-
Net current tax			
Deferred tax		59,480	363,496
Profit/ (Loss) for the year		(120,332)	380,846
Earnings per equity share of Rs. 10 each:			
Basic/ diluted		(1.20)	3.81

Significant Accounting Policies

1

Notes to Accounts

2 - 33

Significant Accounting Policies & Notes to Accounts forms an integral part of the accounts.

As per our report of even date

For and on behalf of the Board

For Ford,Rhodes,Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
Director
DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
Director
DIN : 00108609

Place : Mumbai
Date: 29th May 2015

Place : Mumbai
Date: 29th May 2015

Action Commodities Limited
Cash Flow Statement for The year ended 31st March 2015

Particulars	Current Year Rs.	Previous Year Rs.
A. Cash Flow From Operating Activities:		
Profit / (Loss) Before Tax	(179,812)	45,550
Add/(Less) Non-Cash And Non-Operating Items		
Depreciation	1,973	14,265
Dividend Income on investments	(126,383)	-
(Profit)/Loss on investment	-	(2,500)
B. Operating Profit / (Loss)Before Working Capital Changes	(304,222)	57,315
C. Changes In Working Capital		
(Increase) / Decrease In Current Assets	5,046	6,398,252
Increase / (Decrease) In Current Liabilities & Provisions	261,286	(25,921)
D. Cash Generated From Operations(B+C)	(37,890)	6,429,646
E. Less: Taxes Paid (Net)	(54,000)	(14,612)
F. Net Cash Flow From Operating Activities	(91,890)	6,415,034
G. Cash Flow From Investing Activities		
(Purchase)/sales of investment (net)	-	(6,416,045)
Profit / (Loss) on sale of investment	-	2,500
Dividend Income on investments	126,383	-
Purchase of Fixed Assets	(40,000)	-
H Net Cash Generated from Investment Activities	86,383	(6,413,545)
I Net Cash Flow From Financing Activities		
Net Cash Generated/(Used) From Financing Activities	-	-
J. Net Changes In Cash & Cash Equivalents (F+H)	(5,507)	1,489
K Cash & Cash Equivalents As At End of Financial Year		
- Bank Balance	17,345	22,852
- Cash Balance	-	-
Less: Cash & Cash Equivalents As At The Beginning Of Financial Year	22,852	21,364
Net Changes In Cash & Cash Equivalents	(5,507)	1,489

Note :

- Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals.
- Figures in brackets denotes outflows.
- Cash and cash equivalents for the purpose of cash flow statement comprise of Cash at bank and in hand and short term investments with an original maturity of three months or less. Bank fixed deposits with maturity period over 12 months at balance sheet date is classified as other non-current asset.
- Previous years figures have been regrouped, reclassified and /or renamed to confirm to this years classification.

As per our report of even date

For Ford,Rhodes,Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

A. D. Shenoy
Partner
Membership No.11549

Place : Mumbai
 Date: 29th May 2015

For and on behalf of the Board

Milan R. Parekh
 Director
 DIN : 00108368

Bakul R. Parekh
 Director
 DIN : 00108609

Place : Mumbai
 Date: 29th May 2015

Note forming part of Financial Statements for the year ended 31st March 2015.

1. Significant Accounting Policies and Corporate Information:

Corporate Information

Action Commodities Limited is wholly owned subsidiary of Action Financial Services (India) Limited. The main objects of the company are share Broking and depository services, Market Research and studies; however the company is yet to start the full-fledged activities.

Significant Accounting Policies:

a. Accounting Concepts

The Financial statements of the Company have been prepared on accrual basis under historical cost convention, in accordance with Generally Accepted Accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard or a more appropriate presentation of the financial statements requires a change in the accounting policy hitherto in use.

b. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

c. Revenue Recognition

1. Income from broking activities and Market Research and studies are recognized only when it is reasonably certain that the ultimate collection will be made.
2. Income from trading in Commodities and Derivatives comprises of profit or loss on sale of Commodities held as stock in trade and profit or loss on Derivative instruments is accounted for based on the "Guidance note on accounting for Equity Index and Equity Stock Futures and Options".
3. Interest income is recognized on time proportionate basis.
4. Dividend income is recognized as and when payment is received.

5. Incomes from investing activities are recognized only when it is reasonably certain that the ultimate collection will be made.
- d. Fixed Assets

All the fixed assets are accounted at cost of acquisition less accumulated depreciation.
- e. Depreciation/ Amortization

Depreciation on Fixed Assets is provided over the useful life of assets as specified under Schedule II of the Companies Act, 2013 under Written Down Value Method. As in the Opinion of company MCX membership would not depreciate in value. No depreciation considered for MCX membership.
- f. Impairment of Fixed Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
- g. Investments

Securities which are bought with an intention of keeping for long term are classified under Investments and are valued cost plus brokerage and stamp charges. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.
- h. Stock In Trade

Shares and Debentures are valued at cost or market price whichever is lower, whereby the cost of each script is compared vis-a-vis its market value and the resultant shortfall if any is charged to revenue.
- i. Taxation
 1. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.
 2. Deferred tax is recognized, subject to prudence, on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized for unabsorbed depreciation and carry forward losses to the extent there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

j. Employee benefits

There are no employees eligible for gratuity as such no provision for gratuity is considered in accounts. There are no employees eligible for Leave Salary as such no provision for Leave salary is considered in accounts. There are no employees eligible for PF and ESIC. Other employee benefits are accounted on accrual basis.

k. Lease Rentals

Assets taken on lease under which the lessor effectively retains all the risk and rewards of ownership are classified as operating lease. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease agreement.

l. Derivative Transactions

Gain /losses on futures transactions pertaining to Equity & Currency Futures are recognized on continuous basis. Gain / losses on options contracts are recognized on squaring off /settlement day.

m. Earnings per Share

In determining the earning per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary/ exceptional items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per shares comprises the weighted average shares considered for deriving the basic earnings per share and also weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for any stock split and bonus shares issued.

n. Provisions for Contingent liabilities and Contingent assets

A provision is recognized for a present obligation as result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions are determined based on net estimate of the amount required to settle the obligation at the Balance sheet date. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Action Financial Services (India) LimitedNotes to Financial Statements for the year ended 31st March 2015

2. Details of share Capital

a) Details of shares authorised, issued, subscribed & paid up

Particulars	Current Year	Previous Year
Authorized share capital 100,000 Equity Shares of Rs. 10 each (Previous year 100,000 Equity Shares of Rs. 10 each)	1,000,000	1,000,000
Issued, Subscribed & fully paid up share capital 100,000 Equity Shares of Rs. 10 each (Previous year 100,000 Equity Shares of Rs. 10 each)	1,000,000	1,000,000

b) Reconciliation of number of shares outstanding at beginning & end of the Year.

(No. of Shares)

Particulars	Current Year	Previous Year
Opening balance	100,000	100,000
Closing Balance	100,000	100,000

Notes:-

- All 100,000 Equity Shares are held by the holding company viz. Action Financial Services (India) Ltd and its nominees.,
 - The company has only one class of Equity shares having par value of Rs.10/-. The equity share have rights, Preferences and restrictions which are in accordance with the provision of law, in particular the Companies Act 2013.
- c) Details of Shares issued for consideration other than cash, bonus issue or buy back in last 5 years.
There are no transactions in above categories.

d) Shareholder's Information

(No. of Shares)

Particulars	Current Year	Previous Year
Shares held by Group Company Action Financial Services (India) Limited (100%)	100,000	100,000

- e) There are no convertible securities issued and outstanding as on Balance sheet date.
- (f) There are no shares reserved for issue under options and contracts /commitments for sale of Shares/disinvestment.
- (g) There are no unpaid calls as at Balance sheet date.
- (h) There are no forfeited shares on Balance sheet date.

3. Reserves and Surplus

Particulars	Current Year	Previous Year
a. Securities Premium A/c		
Opening Balance	7,500,000	7,500,000
Closing Balance	7,500,000	7,500,000
b. Surplus as per Statement of Profit & Loss		
Opening Balance	(381,527)	(762,372)
Add: Profit/(loss) for the year	(120,332)	380,845
Less: Adjustment of depreciation on implementation of Schedule II	(12,148)	-
Closing Balance	(514,007)	(381,527)
c. Total Reserves & Surplus (a+b)	6,985,993	7,118,473

4. Deferred tax Asset / (Liability) (Net)

Particulars	As at 31.03.2014	For the year	As at 31.03.2015
WDV differential	(157,177)	2,203	(154,974)
Preliminary Expenses Written off	1,545	(1,545)	-
Unabsorbed Depreciation	202,296	671	202,967
Business Loss	112,704	58,151	170,855
Short Term Loss	-	-	-
Deferred tax Asset/(Liability) (Net)	159,368	59,480	218,848

5. Other Current Liabilities

Particulars	Current Year	Previous Year
Statutory Liabilities -Professional Tax	975	375
Others payables -Salary Payables	59,625	24,625
Total	60,600	25,000

6. Short term Provisions

Particulars	Current Year	Previous Year
Provision for Taxation for A.Y.	28,200	28,200
Total	28,200	28,200

Action Commodities Limited
Notes to Financial Statements for the year ended 31st March 2015 (Contd.)
Note : 7.

Fixed Assets

Particulars	Gross Block			Depreciation			Net Block				
	As at 01.04.2014	Additions	Deduction	Closing Balance	Upto 31.03.2014	For the Year	Deduction	Adjustment	Total	As at 31.03.2015	As at 31.03.2014
Tangible Assets											
Computer	185,000	-	-	185,000	163,602	-	-	12,148	175,750	9,250	21,398
Sub Total	185,000	-	-	185,000	163,602	-	-	12,148	175,750	9,250	21,398
Intangible Assets											
Membership Card	1,121,330	-	-	1,121,330	-	-	-	-	-	1,121,330	1,121,330
Computer Software	-	40,000	-	40,000	-	1,973	-	-	1,973	38,027	-
Sub Total	1,121,330	40,000	-	1,161,330	-	1,973	-	-	1,973	1,159,357	1,121,330
Total	1,306,330	40,000	-	1,346,330	163,602	1,973	-	12,148	177,723	1,168,607	1,142,728
Previous Year	1,306,330	-	-	1,306,330	149,337	14,265	-	-	163,602	1,142,728	

8. Non-current investments

Particulars	Current Year	Previous Year
Investment in Quoted Equity Instruments (Market Value Rs.13,875,436/-) Refer Note No. 21	6,608,032	6,608,032
Total	6,608,032	6,608,032

9. Long -Term Loans & Advances

Particulars	Current Year	Previous Year
Security Deposits Unsecured to related parties	75,000	75,000
Total	75,000	75,000

10. Cash & bank Balances

Particulars	Current Year	Previous Year
Balances with ICICI bank	17,345	22,853
Total	17,345	22,853

11. Other current assets

Particulars	Current Year	Previous Year
TDS Receivable	199,923	145,923
Loan To Staff	35,000	4,000
Other Receivables from related parties	-	36,046
Total	234,923	185,969

12. Revenue from Operations

Particulars	Current Year	Previous Year
Professional Income	540,000	773,253
Total	540,000	773,253

13. Other Income

Particulars	Current Year	Previous Year
Profit on Derivatives	-	2,500
Dividend Income	126,383	-
Interest on Income Tax	-	4,367
Total	126,383	6,867

14. Employee Benefits Expenses

Particulars	Current Year	Previous Year
Salary & wages	560,724	546,800
Staff welfare Expenses	1,250	-
Total	561,974	546,800

Action Financial Services (India) Limited

15. Other Expenses

Particulars	Current Year	Previous Year
Professional Fees	7,918	11,332
Professional Tax (Company)	2,500	2,500
Rent	120,000	120,000
Shares Expenses on Trading	27,539	7,685
Conveyance expenses	-	5,054
Loss on Derivatives	91,865	-
Auditors Remuneration	20,787	21,130
Miscellaneous Expenses	8,000	5,803
ROC Filing fees	3,640	-
Total	282,249	173,504

16. Contingent Liabilities: NIL

17. Capital Commitments:

The company has acquired MCX membership card, however pending completion of procedural formalities business is not yet commenced. Following are the capital commitment to stock exchange for activation of the membership:-

Particulars	Amount
Security Deposit (Cash)	15,00,000
Security Deposit (Non Cash)	15,00,000
Processing Charges	11,030

18. Managerial Remuneration: NIL

19. Auditors Remuneration:

Particulars	2014-15	2013-14
Audit Fees	20,787	21,130

20. Unsecured Loans: NIL

21. Investments

(a) The aggregate market value of quoted investments as at 31.03.2015 is Rs. 13,875,436/- (P.Y. Rs. 7,361,483/-) as against the total cost of Rs. 6,608,032/- (P.Y. Rs. 6,608,032/-).

(b) There are no movements in investments during the year. The scrip wise details of investment is as under:-

Particulars	Face Value	Opening Balance		Closing Balance	
		Qty	Value	Qty	Value
Continental Controls Ltd	10	46,124	184,957	46,124	184,957
PVP Vent Ltd	10	500	7,030	500	7,030
Bharat Electronics	10	3,010	2,876,045	3,010	2,876,045
Tata Global	1	25,000	3,540,000	25,000	3,540,000
Total			6,608,032		6,608,032

22. Employee Benefit:

There are no employees eligible for gratuity, leave salary or provident fund etc. as such no provision is considered for this period.

23. As the company has not started its full fledged activities, hence segment reporting is not applicable.

24. As per Accounting Standard 18, the disclosures of transaction with the related parties as defined in the Accounting Standard are given below:

List of related parties with whom transactions have taken place and relationships:

S.N.	Relationship	Name of the Related Party
1.	Holding Company	Action Financial Services (India) Limited
2.	Key Management Personnel	Mr. Milan R. Parekh (Director) Mr. Bakul R. Parekh (Director)
3.	Transaction with Holding Company	Rent Expenses : Rs. 1,20,000/- (P.Y. Rs. 1,20,000/-) Professional fees Income : Rs. 540,000/- (P.Y. Rs. 773,253/-) Expenses on share : Rs.27,539/- (P.Y. Rs. 7,685/-) Deposit: Rs. 75,000/- (P.Y. Rs. 75,000/-)
4.	Transaction with Key Management Personnel	NIL

25. Disclosures as required by Accounting Standards 19 - Leases are given below:

- The Company has taken office premises on rent for 11 months.
- Rent payments are recognized in the statement of Profit and Loss under "Rent"
- The future minimum lease payments under Non Cancelable operating lease is as under:

(In Rupees)

Particulars	Current Year 31.03.2015	Previous Year 31.03.2014
Not later than one year	1,20,000	1,20,000
Later than one year and not later than five years	NIL	NIL
More than five years	NIL	NIL

26. Earning Per Share (EPS):

Sr No.	Particulars	Current Year 31.03.2015	Previous Year 31.03.2014
(A)	Profit / (Loss) attributable to Equity Shareholders (in Rs.) after tax	(120,332)	3,80,845
(B)	Nominal Value of Equity Shares (in Rs.)	10	10
(C)	Weighted / Diluted Number of Equity Shares outstanding during the Year	100,000	100,000
(D)	Basic / Diluted Earning Per Share (in Rs.) (A/C)	(1.20)	3.8

27. Provisions for Deferred Tax:

a) Income Tax:

Due to loss during the year, no provision for income tax is considered.

b) Deferred Tax

Deferred Tax has been considered on timing differences between book and taxable profit Component of Deferred Tax Assets/ (Liability) as at 31.03.2015 are as shown under note no. 4

28. a. Based on the details regarding the status of the suppliers, to the extent obtained, no supplier is covered under the Micro, Small and Medium Enterprises Development Act, 2006. The auditors have relied upon the management information in this regard.

b. To the extent information available with the company, the company does not owe any sum to small scale industrial unit as defined in clause (j) of Section 3 of the Industrial (Development & Regulation) Act, 1951. The auditors have relied upon the management information in this regard.

29. There are no amount payable towards Investor education and protection fund u/s 125 of the Companies Act, 2013.

30. Long term contracts and derivatives contracts:

The Company does not have long term contract including in the nature of derivative contracts except lease agreement for premises. There are no foreseeable losses on such contracts.

31. Public Deposits:

The Company has not accepted any deposits from public within the meaning of sections 73 to 76 of the Companies Act 2013 and Rules framed there under.

32. Impact of Schedule II:

In accordance with requirements prescribed under Schedule II of the Companies Act 2013, the company has assessed the estimated useful life of its assets and has adopted the useful life as prescribed in the Schedule II in respect of all assets.

The impact of the change in estimated useful life of the fixed assets is as given below-

- (i) The carrying amount of those assets whose remaining useful life has become nil at the beginning of the financial year amounting to Rs. 12,148/- has been Charged to Retained earnings.
- (ii) The depreciation charged to Statement of Profit and Loss is lower by Rs. 8,747/- on account of changes in estimated useful life.
33. Previous year's figures have been regrouped, reclassified and/or renamed to confirm to this year's classification.

As per our report of even date

For and on behalf of the Board

For Ford,Rhodes,Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
Director
DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
Director
DIN : 00108609

Place : Mumbai
Date: 29th May 2015

Place : Mumbai
Date: 29th May 2015

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED
FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF ACTION FINANCIAL SERVICES
(INDIA) LIMITED

We have audited the accompanying consolidated financial statements of ACTION FINANCIAL SERVICES (INDIA) LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries constitute the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports.

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 24 to the consolidated financial statements.
 - ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Place: Mumbai
Date: 29th May, 2015

A.D. Shenoy
Partner
Membership No.11549

Annexure to the Independent Auditors' Report on the
consolidated financial statements

(Referred to in paragraph pertaining to 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of ACTION FINANCIAL SERVICES (INDIA) LIMITED for the year ended March 31, 2015)

Our reporting on the Order includes two subsidiary companies, to which the Order is applicable, which have been audited us. On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements we report as under :-

- (i) a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b) The fixed assets were physically verified during the year by the Management of the respective entities at reasonable intervals; no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (ii) The respective entities does not have any stocks of raw materials, stores, spares parts and finished goods. Hence clause (ii) of the Order does not apply to the group.
- (iii) The respective entities have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is generally an adequate internal control system in the Holding Company and its subsidiary companies, commensurate with the size of the respective entities and the nature of their business, for the purchase of shares and fixed assets and for the providing services and for sale of shares, and during the course of our audits, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) According to the information and explanations given to us , none of the respective entities have accepted any deposits from the public, within

Action Financial Services (India) Limited

the meaning of Sections 73 to 76 of Companies Act 2013 and the rules framed there under, accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the respective entities.

- (vi) In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Holding Company, its subsidiary companies, for the year under audit.
- (vii) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues of the Holding Company and its subsidiary companies:
- The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities during the year. There were no undisputed amounts payable by the respective entities in respect of the aforesaid statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
 - There are no dues of Wealth Tax and Customs Duty which have not been deposited on account of any dispute with the relevant authorities. Details of dues towards Income Tax that have not been deposited as at March 31, 2015 on account of disputes by the aforesaid entities are as stated below:

Sr. No.	Name of dues	Forum where Dispute is pending	Period to which amount relates	Amount involved Rs.
1	Income Tax	ITAT Mumbai	A.Y. 2008 -09	10,130,835/-
2	Tax Deducted at Sources	Commissioner of Income (Appeals), Mumbai	A.Y. 2010 -11	129,990/-
3	Tax Deducted at Sources	Commissioner of Income (Appeals), Mumbai	A.Y. 2011 -12	143,056/-
4	Tax Deducted at Sources	ITO TDS-Rectification filed/ to be filed.	Various Years	344,290/-

Note:-

1. The Holding Company had contested Income Tax demand of Rs.10,130,835/- for Assessment Year 2008-09. The Holding Company has paid Rs.87,51,819/-. The Holding company has preferred an appeal in the ITAT against the CIT (A) order.
 2. The Holding Company had contested Income Tax Deducted at Sources of Rs.129,990/- and Rs.143,056/- for Assessment Year 2010-11 and 2011-12. The Holding company has preferred an appeal in CIT (A).
 3. During the year the Holding Company received notice u/s 131 of the Income Tax Act, 1961. The survey was carried out at the premises of the company on 13th June, 2014 and the company officials attended to the notice. No further notice has yet been received from the Income tax Department with regards to this matter.
- c) According to the information and explanations given to us and records of the Holding Company and subsidiary companies examined by us, in our opinion, there are no amounts payable to investor education and protection fund u/s 125 of the Companies Act, 2013.
- (viii) The Group has consolidated accumulated losses at the end of the financial year of Rs.3,16,362/- (PY Rs.20,06,819/-) however the Group, has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiary companies, have not defaulted in the repayment of dues to Banks on its overdraft facilities. The group has not borrowed from financial institutions. The group has not issued debentures.
- (x) According to the information and explanations given to us, the Holding Company and its subsidiary companies have not given guarantees for loans taken by others from banks and financial institutions and accordingly, the provisions of clause (x) of paragraph 3 of the Order are not applicable to the respective entities.
- (xi) According to the information and explanations given to us none of the entities in the group have obtained any term loans from banks

accordingly, the provisions of clause (xi) of paragraph 3 of the Order are not applicable to the respective entities.

- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, and considering the size and nature of the consolidated operations of the Holding Company and its subsidiary companies, no fraud of material significance on the Holding Company, and its subsidiary companies or no fraud by the Holding Company and its subsidiary companies, have been noticed or reported during the year.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Place: Mumbai
Date: 29th May, 2015

A.D. Shenoy
Partner
Membership No.11549

Action Financial Services (India) Limited
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Note. No.	Current Year Rs.	Previous Year Rs.
EQUITY AND LIABILITIES			
Shareholders funds			
Share capital	2	133,325,000	133,325,000
Reserves and surplus	3	127,468,338	114,092,881
Money received against share warrants		-	11,685,000
		260,793,338	259,102,881
Non-current liabilities			
Other Long term liabilities	4	10,650,100	10,378,454
Long-term provisions	5	2,641,325	4,244,156
		13,291,425	14,622,610
Current liabilities			
Short-term borrowings	6	21,111,375	25,056,279
Trade payables		36,103,561	37,114,851
Other current liabilities	7	19,062,280	22,745,987
Short-term provisions	8	2,961,040	2,178,773
		79,238,256	87,095,890
Total		353,323,019	360,821,381
ASSETS			
Non-current assets			
Fixed assets	9		
Tangible assets		10,155,433	17,302,358
Intangible assets		6,668,851	7,629,786
		16,824,284	24,932,144
Non-current investments			
Deferred tax assets (net)	10	59,308,849	64,589,885
Long-term loans and advances	11	1,237,315	1,804,549
Other non-current assets	12	10,674,633	10,473,289
	13	3,132,207	5,958,616
		91,177,288	107,758,483
Current assets			
Inventories	14	172,383,519	164,092,343
Trade receivables	15	54,505,123	59,316,921
Cash and Bank Balance	16	21,931,821	15,396,728
Short-term loans and advances	17	1,994,998	2,976,253
Other current assets	18	11,330,270	11,280,653
		262,145,731	253,062,898
Total		353,323,019	360,821,381

Significant Accounting Policies

1

Notes to Accounts

1-48

Significant Accounting Policies & Notes to Accounts forms an integral part of the accounts.

As per our report of even date

For and on behalf of the Board

For Ford,Rhodes,Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
Chairman & Managing Director
DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
Joint Managing Director & CFO
DIN : 00108609

Place : Mumbai
Date : 29th May 2015

Place : Mumbai
Date : 29th May 2015

Action Financial Services (India) Limited**Action Financial Services (India) Limited**Consolidated Statement of profit and loss for the year ended 31st March 2015

Particulars	Note. No.	Current Year Rs.	Previous Year Rs.
Revenue			
Revenue from operations	19	25,938,619	41,784,791
Other income	20	10,948,046	1,798,599
Total		36,886,665	43,583,390
Expenses			
Changes in Inventory		-	-
Employee benefits expense	21	14,097,231	15,212,883
Finance costs	22	5,091,381	6,405,401
Depreciation and amortization expense	9	4,403,953	3,833,230
Other expenses	23	16,293,019	23,892,405
Total		39,885,584	49,343,919
Profit/(Loss) before exceptional and extraordinary items and tax		(2,998,919)	(5,760,529)
Exceptional items	47	5,696,734	6,394,442
Profit/(Loss) before tax		2,697,815	633,913
Less: Tax expense			
Current tax		100,000	390,600
Deferred tax	11	567,234	(886,805)
Profit/(Loss) for the Year		2,030,581	1,130,118
Earnings per equity share of Rs. 10 each:			
(1) Basic		0.10	0.02
(2) Diluted		0.10	0.02

Significant Accounting Policies

1

Notes to Accounts

2 - 48

Significant Accounting Policies & Notes to Accounts forms an integral part of the accounts.

As per our report of even date

For and on behalf of the Board

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
Chairman & Managing Director
DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
Joint Managing Director & CFO
DIN : 00108609

Place : Mumbai
Date : 29th May 2015

Place : Mumbai
Date : 29th May 2015

Action Financial Services (India) Limited.
Consolidated Cash Flow Statement for The year ended 31st March 2015

Particulars	Current Year Rs.	Previous Year Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	2,697,815	633,913
Depreciation 4,403,953	3,833,230	
Creditor written Back	-	(12,191)
Provision on Standard & Sub Standard Assets	-	137,269
Excess provision for taxation considered as per R&S	-	3,020,538
Interest and Dividend Income	(2,015,061)	(1,626,881)
(Profit)/ Loss on sale of Investments	(7,857,067)	440,448
(Profit)/ Loss on sale of Fixed Assets	(5,696,734)	(6,394,442)
Interest Expenditure	5,091,381	6,405,401
Operating Profit before Working Capital Changes	(3,375,713)	6,437,285
Loan and Advances	779,912	5,296,522
Trade Receivables	4,811,797	31,674,876
Other current /Non current assets	3,116,537	459,938
Inventories	(8,291,176)	(65,846,738)
Trade payables	(1,011,290)	23,547,882
Other Payables		
(Excluding Current tax Provision)	(4,332,625)	10,114,853
Cash Generated from Operations	(8,302,559)	11,684,619
Direct Taxes Paid (Net)	(339,747)	(373,857)
Net Cash from Operating Activities [A]	(8,642,306)	11,310,762
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) & Creation of Fixed Assets	(939,482)	(2,066,763)
Proceeds from sale of Fixed Assets	10,000,000	8,531,000
(Purchase) / Sale of Investments (Net)	13,138,103	(44,145,718)
Dividend Received	226,951	95,122
Investment in Fixed deposit	(5,886,207)	(7,534,017)
Interest Received	1,788,110	1,531,757
Net Cash used in Investing Activities [B]	18,327,474	(43,588,620)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowing (Net)	(3,944,904)	(1,044,050)
Interest paid	(5,091,381)	(6,405,401)
Net Cash from Financing Activities [C]	(9,036,285)	(7,449,451)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	648,884	(39,727,308)
Cash and cash equivalents as at 1st April (Opening)	678,370	40,405,678
Net increase / (decrease) in cash and cash equivalents	648,884	(39,727,308)
Cash and cash equivalents as at 31st March (Closing)	1,327,254	678,370
Notes:		
I) Cash and Cash Equivalents include:		
Balances with Schedule Banks on Current Accounts	353,314	678,129
Cash in Hand	973,941	241
	1,327,254	678,370

Action Financial Services (India) Limited

- ii) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.
- iii) Cash and cash equivalents for the purpose of cash flow statement comprise of Cash at bank and in hand and short term investments with an original maturity of three months or less. Bank fixed deposits with maturity period over 12 months at balance sheet date is classified as other non-current asset.
- iv) Previous year's figures regrouped /reclassified wherever required.

As per our report of even date

For Ford,Rhodes,Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

A. D. Shenoy
Partner
Membership No.11549

Place : Mumbai
Date: 29th May 2015

For and on behalf of the Board

Milan R. Parekh
Chairman & Managing Director
DIN : 00108368

Bakul R. Parekh
Joint Managing Director & CFO
DIN : 00108609

Place : Mumbai
Date: 29th May 2015

Action Financial Services (India) Ltd

Note forming part of consolidated financial statement for the year ended 31st March 2015.

1. Significant Accounting Policies and Corporate Information

Corporate Information

Action Financial Services (India) Limited is a public Company listed in Bombay stock exchange. The company is engaged in share Broking and depository services. The company has two wholly owned subsidiaries viz. Action Securities Limited and Action Commodities Limited.

Significant Accounting Policies:

a. Basis of Preparation of Financial statements and Accounting Concepts

The consolidated financial statements relate to Action Financial Services (India) Limited and its wholly owned subsidiaries viz Action Securities Limited and Action Commodities Limited. The parent company with its subsidiary constitutes the group. The financial statements of the parent company and its subsidiaries are drawn up to 31st March 2015.

The Financial statements of the Company have been prepared on accrual basis under historical cost convention, in accordance with Generally Accepted Accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard or a more appropriate presentation of the financial statements requires a change in the accounting policy hitherto in use.

b. Principles of consolidation

The financial statements of the parent company and its wholly owned subsidiaries have been consolidated in accordance with Accounting standard 21 on "Consolidated financial statements", on line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra group balances, intra group transactions and are presented to the extent possible, in the same manner as the company's independent

financial statements. The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies except to the extent stated hereunder.

c. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

d. Revenue Recognition

- (i) Income from broking activities and depository services are recognized only when it is reasonably certain that the ultimate collection will be made.
- (ii) Income from trading in securities and Derivatives comprises of profit or loss on sale of securities held as stock in trade and profit or loss on Derivative instruments is accounted for based on the "Guidance note on accounting for Equity Index and Equity Stock Futures and Options".
- (iii) Interest income is recognized on time proportionate basis.
- (iv) Dividend income is recognized on receipt basis.

e. Fixed Assets

Tangible & Intangible Assets

All the fixed assets are accounted at cost of acquisition less accumulated depreciation.

f. Leased Assets:

Operating Lease

Assets taken on lease under which the lessor effectively retains all the risk and rewards of ownership are classified as operating lease. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease agreement.

Finance lease:

Leased assets acquired on which significant risk and rewards of ownership is effectively transferred to the company are capitalized at lower of fair value or the amount paid under such lease arrangements.

g. Depreciation /Amortization

Depreciation on Fixed Assets is provided over the useful life of assets as specified under Schedule II of the Companies Act, 2013 under Straight Line Method. Goodwill is amortized over a period of Twenty years. Assets acquired under Finance lease are amortized over the period of lease or estimated useful life of Asset whichever is lower. Assets below Rs.5,000/- each are fully charged to Profit and loss. Application software is capitalized as Intangible Asset amortized over estimated useful life or before obsolescence, whichever is earlier.

h. Impairment of Fixed Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

i. Investments

Securities, which are bought with an intention of keeping for long term, are classified under Investments and are valued at cost plus brokerage and stamp charges. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

j. Stock In Trade

Shares and Debentures held as inventory are valued at cost or market price whichever is lower, whereby the cost of each script is compared vis-à-vis its market value and the resultant shortfall if any, is charged to revenue.

k. Taxation

- (i) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.
- (ii) Deferred tax on timing difference between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognized for unabsorbed depreciation and carry forward losses to the

extent there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

- (iii) Minimum Alternate Tax (MAT) Credit: MAT is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the ICAI, the said asset is created by way of credit to the Statement of Profit & Loss and is shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

I. Employee benefits

- (i) Gratuity to employees is provided as per AS 15 and liability as on Balance Sheet date has been determined on the basis of actuarial valuation. The liability is not funded.
- (ii) Leave encashment benefits payable to employees of the Company with respect to accumulated leave outstanding at the year-end are accounted for on the basis of an actuarial valuation as at the Balance Sheet date applying projected unit Credit Method done by an Independent Actuary
- (iii) Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and ESIC are charged to Statement of Profit and Loss on accrual basis.

m. Derivative Transactions

Gain /losses on transactions pertaining to Equity & Currency Futures are recognized on continuous basis. Gain / losses on options contracts are recognized on squaring off /settlement day.

n. Earnings per Share

In determining the earning per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary/ exceptional items and also after reducing dividend on cumulative preference shares for the period (irrespective whether dividend is paid or not). The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding

during the period. The number of shares used in computing diluted earnings per shares comprises the weighted average shares considered for deriving the basic earnings per share and also weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares are adjusted for any stock split and bonus shares issued.

o. Provisions for Contingent liabilities and Contingent assets

A provision is recognized for a present obligation as result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions are determined based on net estimate of the amount required to settle the obligation at the Balance sheet date. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes to Financial Statements for the year ended 31st March 2015

2 Share Capital

A Details of Authorised, issued, subscribed and paid up capital

Particulars	Current Year	Previous Year
Share Capital		
Authorized share capital 14,000,000 (P.Y.14,000,000) Equity Shares of Rs.10/- each	140,000,000	140,000,000
100,000 (P.Y.100,000) Preference Shares of Rs. 100/- each	10,000,000	10,000,000
Issued share capital		
1,25,04,500 (P.Y. 1,25,04,500) Equity Shares of Rs. 10/- each	125,045,000	125,045,000
82,800 (P.Y.82,800), 10 % Redeemable Cumulative Preferences Shares of Rs.100/- each fully -paid	8,280,000	8,280,000
	133,325,000	133,325,000
Subscribed & fully paid up		
1,25,04,500 (P.Y. 1,25,04,500) Equity Shares of Rs. 10/- each fully-paid	125,045,000	125,045,000
82,800 (P.Y.82,800), 10 % Redeemable Cumulative Preferences Shares of Rs.100/- each fully -paid	8,280,000	8,280,000
	133,325,000	133,325,000

Action Financial Services (India) Limited

- B Reconciliation of number of shares outstanding at beginning & end of the year

I) Equity Shares

During the year there is no movement. (No. of Shares)

Particulars	Current Year	Previous Year
Opening balance	12,504,500	12,504,500
Closing Balance	12,504,500	12,504,500

II) Preference Shares

During the year there is no movement. (No. of Shares)

Particulars	Current Year	Previous Year
Opening balance	82,800	82,800
Closing Balance	82,800	82,800

Notes:-

The Preference share carry right to receive 10% dividend on cumulative basis. The Redemption of preference shares has been extended up to on or before March 2018 as there was lack of profit for the redemption. A confirmation letter for the said extension has been received from all the preference share holders. The Company has not declared or paid dividend on preference capital.

- C Last 5 years details of Shares issued / bought back

There are no issues for consideration other than cash, Bonus shares or buy back in past 5 years.

- D Shareholder's Information

(No. of Shares)

Particulars	Current Year	Previous Year
1. Shares held by Group Companies	NA	NA

2. Share holders holding 5% or more shares

Name	As at 31st March 2015		As at 31st March 2014	
	Shares	Percentage	Shares	Percentage
Promoters				
Milan R Parekh	2,679,056	21.42	2,679,056	21.42
Bakul R Parekh	2,038,889	16.30	2,038,889	16.30
Others				
Priyali Properties LLP	1,000,000	8.00	-	-
Prime Capital Market Limited	30,000	0.24	830,000	6.64
Laxmiramuna Investment Pvt. Ltd.	730,000	5.84	730,000	5.84
TOTAL	6,477,945	51.80	6,277,945	50.20
<u>Preference Shares</u>				
Promoters				
Milan Parekh	64,827	78.29	64,827	78.29
Bakul Parekh	14,193	17.14	14,193	17.14

- E There are no shares reserved for issue under options and contracts /commitments for sale of Shares/disinvestment.
- F There are no unpaid calls as at Balance sheet date.
- G There are no forfeited shares as at Balance sheet date.

3 Reserves & Surplus

Particulars	Current Year Rs.	Previous Year Rs.
a. Securities Premium A/c		
Opening Balance	99,704,700	99,704,700
Closing Balance	99,704,700	99,704,700
b. Capital Redemption Reserve Account		
Opening Balance	10,120,000	10,120,000
Closing Balance	10,120,000	10,120,000
c. Capital Reserve A/c		
Opening Balance	6,275,000	6,275,000
Add: Addition on Forfeiture of Warrants	11,685,000	-
Closing Balance	17,960,000	6,275,000
d. Surplus as per Statement of Profit & Loss		
I. Opening Balance	(2,006,819)	(6,157,475)
Add: Profit during the year	2,030,581	1,130,118
Add: Adjustment of earlier income tax	-	3,020,538
Less: Adjustment of Depreciation as per Schedule II of Companies Act,2013	(340,124)	-
II. Current year Surplus	1,690,457	4,150,656
Closing Balance	(316,362)	(2,006,819)
Total Reserves & Surplus	127,468,338	103,972,881

Notes:

- (I) Capital Redemption Reserve represents Reserve created on redemption of 101,200 Preference shares in 2008.
- (II) Capital Reserve represents forfeited amount of warrants for details refer note 26 of notes to accounts.

4 Other Long term Liabilities

Particulars	Current Year	Previous Year
Deposit from Clients	10,650,100	10,378,454
Total	10,650,100	10,378,454

5 Long - term Provisions

Particulars	Current Year	Previous Year
Contingent Provision against Standard Assets	538,688	538,688
Provision for gratuity	1,891,134	3,153,715
Provision for leave benefits	211,503	551,753
Total	2,641,325	4,244,156

Action Financial Services (India) Limited

6 Short Term Borrowings

Particulars	Current Year	Previous Year
Loans repayable on demand from Banks (Secured)	11,910,987	20,055,891
Inter corporate deposit (Secured)	9,200,388	5,000,388
Total	21,111,375	25,056,278

7 Other Current Liabilities

Particulars	Current Year	Previous Year
Others Loans & Advances : Book overdraft	12,828,690	15,074,968
Statutory Liability	690,803	1,479,090
Deposit Received	1,130,226	1,700,000
Others payables	4,412,561	4,491,929
Total	19,062,280	22,745,987

8 Short term Provisions

Particulars	Current Year	Previous Year
Provision for Gratuity	985,632	300,980
Provision for leave benefits	184,178	186,563
Provision for Taxation	1,791,230	1,691,230
Total	2,961,040	2,178,773

Action Financial Services (India) Limited

Notes to Financial Statements for the year ended 31st March 2015 (Contd.)

Note 9

Fixed Assets

Particulars	Gross Block				Depreciation			Net Block				
	As at 01.04.2014	Additions	Deduction	Adjustment	Closing Balance	Upto 31.03.2014	For the Year	Deduction	Adjustment	Total	As at 31.03.2015	As at 31.03.2014
Tangible Assets												
Office Premises	9,238,450	-	4,484,925	-	4,753,525	1,209,587	222,338	181,659	69,488	1,180,778	3,572,747	8,028,863
Lease Hold Improvement	1,197,227	-	-	-	1,197,227	381,377	271,252	-	-	652,630	544,597	815,850
Furniture & Fixtures	2,992,413	-	-	1,314,083	1,678,330	2,791,549	49,444	-	1,480,720	1,360,272	318,057	200,864
Vehicles	1,510,573	-	-	-	1,510,573	450,171	196,975	-	-	647,146	863,427	1,060,402
Office Equipments	2,241,211	-	-	1,915,865	325,346	1,240,695	60,475	-	1,202,432	98,737	226,609	1,000,516
Server	7,562,919	-	-	-	7,562,919	2,106,380	1,284,172	-	-	3,390,552	4,172,367	6,195,864
Computer	6,843,236	125,838	-	5,540,602	1,428,472	6,103,911	544,718	-	5,677,786	970,844	457,628	-
Sub Total	31,586,029	125,838	4,484,925	8,770,550	18,456,392	14,283,670	2,629,374	181,659	8,430,426	8,300,959	10,155,433	17,302,358
Intangible Assets												
Goodwill	12,918,645	-	-	-	12,918,645	10,822,902	645,932	-	-	11,468,834	1,449,811	2,095,743
Membership Card	1,121,330	-	-	-	1,121,330	-	-	-	-	-	1,121,330	1,121,330
Computer Software	6,547,773	813,644	-	-	7,361,417	2,135,060	1,128,647	-	-	3,263,707	4,097,710	4,412,713
Capital Work in progress	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total	20,587,748	813,644	-	-	21,401,392	12,957,962	1,774,579	-	-	14,732,541	6,668,851	7,629,786
Total	52,173,777	939,482	4,484,925	8,770,550	39,857,784	27,241,632	4,403,953	181,659	8,430,426	23,033,500	16,824,285	24,932,144
Previous Year	53,373,455	2,066,763	3,266,441	-	52,173,777	24,538,285	3,833,230	1,129,883	-	27,241,632	24,932,144	-

Action Financial Services (India) Limited

10 Non- Current Investment

Particulars	Current Year	Previous Year
Trade Investments		
BSE shares	2,683,500	2,683,500
BGSE Shares	1,229,609	1,229,609
	3,913,109	3,913,109
Unquoted Equity Instruments		
Others	100,000	100,000
	100,000	100,000
Quoted Equity Instruments		
Equity Instruments (Market value Rs.62,879,539/-)	55,295,740	60,576,776
Total	59,308,849	64,589,885

11 Deferred Tax Assets (Net)

Particulars	As at 31.03.2014	For the year	As at 31.03.2015
WDV differential	(5,115,597)	(374,030)	(5,489,627)
Retirement benefits	1,261,677	(276,998)	984,679
Unabsorbed Depreciation	698,524	724	699,248
Business Loss	3,961,401	84,615	4,046,016
Preliminary Exp Written off	1,545	(1,545)	-
Short Term Loss	996,999	-	996,999
Net Deferred tax Asset / (Liability)	1,804,549	(567,234)	1,237,315

12 Long -Term Loans & Advances

Particulars	Current Year	Previous Year
Security Deposits		
Secured, Considered good	10,674,633	10,473,289
Total	10,674,633	10,473,289

13 Other non- current assets

Particulars	Current Year	Previous Year
Fixed Deposits having maturities after 12 months from balance sheet date & held as margin money	1,997,371	4,823,780
Advances towards MCX Membership	1,134,836	1,134,836
Total	3,132,207	5,958,616

14 Inventories

Particulars	Current Year	Previous Year
Shares as at 31.03.2013 valued at Cost or Market value, whichever is lower.	172,383,519	164,092,343
Total	172,383,519	164,092,343

15 Trade receivables

Particulars	Current Year	Previous Year
Receivables outstanding for more than 6 months from the due date		
Unsecured, considered good	8,579,452	5,705,542
Less : Provision for Non- Performing Debtors	(857,945)	(570,554)
	7,721,507	5,134,988
Others		
Unsecured, Considered good	46,783,616	54,181,933
Total	54,505,123	59,316,921

16 Cash & bank Balances

Particulars	Current Year	Previous Year
Cash & Cash equivalents		
Balances with bank	353,314	678,129
Cash on hand	973,941	241
	1,327,255	678,370
Other bank balance		
FD held having maturity less than 12 months from balance sheet date held as margin money	20,604,566	14,718,359
FD held as margin money maturity more than 12 months from balance sheet date	1,997,371	4,823,780
Less: Amount considered separate under non current asset	(1,997,371)	(4,823,780)
	20,604,566	14,718,359
Total	21,931,821	15,396,729

17 Short term loans and advances

Particulars	Current Year	Previous Year
Others		
Unsecured, Considered good		
Employee Loan	106,613	56,486
Statutory Dues	-	62,746
Prepaid Expenses	209,819	553,048
Others	1,678,566	2,303,973
Total	1,994,998	2,976,253

Action Financial Services (India) Limited

18 Other current assets

Particulars	Current Year	Previous Year
Interest Accrued on Deposits	742,388	1,067,518
Advance Tax Paid	8,751,819	8,751,819
Loan to Staff	35,000	-
Tax Deducted at Source	1,801,063	1,461,316
Total	11,330,270	11,280,653

19 Revenue from Operations

Particulars	Current Year	Previous Year
1. Revenue from Services		
Income from broking activities	9,807,165	10,965,410
Income from depository Services	6,792,075	3,520,672
	16,599,240	14,486,082
2. Other operating revenue		
Mutual Fund Commission	-	44,628
Profit on Derivatives	9,194,343	-
Profit on sale of securities (Net)	145,036	27,254,081
	9,339,379	27,298,709
Total	25,938,619	41,784,791

20 Other Income

Particulars	Current Year	Previous Year
Interest income	1,788,110	1,531,757
Miscellaneous income	592,974	171,718
Net gain or loss on sale of investments	7,857,067	-
Dividend Income	226,951	95,124
Rent received.	72,000	-
Gratuity Provision Written Back	410,944	-
Total	10,948,046	1,798,599

21 Employee Benefit Expenses

Particulars	Current Year	Previous Year
Salary & Wages	13,098,315	14,445,885
Contribution to provident & other Funds	256,657	250,563
Leave Encashment	524,063	50,836
Staff welfare Expenses	216,196	188,077
Incentive to staff	2,000	33,850
Gratuity	-	243,672
Total	14,097,231	15,212,883

22 Finance cost

Particulars	Current Year	Previous Year
Interest Paid to Bank	3,035,164	2,086,215
Interest Paid to Others	1,956,277	3,493,021
Interest Paid on Car Loan	-	15,049
Prepayment charges	-	54,358
Bank Guarantee Commission	99,940	352,476
Interest Paid on Term Loan	-	404,282
Total	5,091,381	6,405,401

23 Other Expenses

Particulars	Current Year	Previous Year
Advertisements	121,976	1,444,382
Auditors Remuneration	539,888	489,682
Bank Charges	636,273	433,280
Bad Debts W/Off	177,698	-
Communication Expenses	1,009,907	1,174,820
Electricity Expenses	1,337,521	1,300,866
Loss on Currency Derivatives	-	680,994
Loss on Derivatives	91,865	3,942,081
Loss on sales of investment	-	440,448
Maintenance Expenses	1,604,340	1,703,012
Miscellaneous Expenses	674,628	593,319
NSDL Expenses	614,514	635,082
Printing & Stationery	488,790	404,410
Professional Fees	1,384,371	3,336,518
Provision for Non-Performing Assets	287,391	-
Provision for Contingency against standard assets	-	157,082
Rent , Rates & Taxes	3,241,415	3,269,131
Settlement Charges	-	970,531
Stock Exchange Expenses	471,975	-
Sub Brokerage	1,373,450	1,005,269
OTCEI Membership Written off	825,000	-
Travelling and Conveyance	713,862	286,806
Diminution in value of Stock in Trade	698,155	1,624,690
Total	16,293,019	23,892,405

24 Contingent Liabilities not provided in respect of

- Bank Guarantee amounting to Rs.37,500,000/- (P.Y. Rs.36,200,000/-) Secured by fixed deposit of Rs. 18,750,000/-.
- Allotment money payable on partly paid shares and debentures Rs. 1,782,000/- (Previous year Rs. 1,782,000/-).
- Arrears of Dividend on Cumulative 10% Redeemable Preference Shares up to 31st March 2015 is Rs. 5,796,000/- (P.Y. Rs. 4,968,000/-).

Action Financial Services (India) Limited

Sr. No.	Name of dues	Forum where Dispute is pending	Period to which amount relates	Amount involved Rs.
1	Income Tax	ITAT Mumbai	A.Y. 2008 -09	10,130,835/-
2	Tax Deducted at Sources	Commissioner of Income (Appeals), Mumbai	A.Y. 2010 -11	129,990/-
3	Tax Deducted at Sources	Commissioner of Income (Appeals), Mumbai	A.Y. 2011 -12	143,056/-
4	Tax Deducted at Sources	ITO TDS-Rectification filed/ to be filed.	Various Years	344,290/-

Note:-

1. The Company had contested Income Tax demand of Rs 10,130,835/- for Assessment Year 2008-09. The Company has paid Rs. 87, 51,819/-. The company has preferred an appeal in the ITAT against the CIT (A) order.
 2. The Company had contested Income Tax Deducted at Sources of Rs 129,990/- and Rs 143,056/- for Assessment Year 2010-11 and 2011-12. The company has preferred an appeal in CIT (A).
 3. During the year company received notice u/s 131 of the Income Tax Act, 1961. The survey was carried out at the premises of the company on 13th June, 2014 and the company officials attended to the notice. No further notice has yet been received from the Income tax Department with regards to this matter.
- e. SEBI has imposed penalty on the company of Rs. 21 lacs under Section 15HA and HB of SEBI Act, 1992 vide their order dated 16th May 2014. The Company has filed Appeal with Securities Appellate Tribunal vide Appeal No. 325 of 2014 on 1st September 2014. The company is expecting favorable outcome in this respect and hence no provision is made against SEBI order.
- f. Except as described above, there are no pending dispute as on 31st March, 2015 which the company believes would have material adverse effect on the results of operations, cash flow or the financial position of the company.
- 25 Capital Commitments:
- The company has acquired MCX membership card, however pending completion of procedural formalities business is not yet commenced. Following are the capital commitment to stock exchange for activation of the membership:-

Particulars	Amount
Security Deposit (Cash)	15,00,000
Security Deposit (Non Cash)	15,00,000
Processing Charges	11,030

26 Share Warrants :

As per the provisions of the Companies Act, 2013, the Company had issued 1,230,000 warrants convertible, within a period of eighteen months from the date of issue, into equal number of equity shares on preferential basis at a price of Rs.38 per warrant to promoter and promoter group on December 4, 2012. During the year the company has not received further subscription and on lapse of eighteen months period i.e. June 3, 2014, the amount of Rs. 11,685,000/- received as subscription is forfeited and is credited to Capital Reserve Account.

Capital Reserve Account consist of amounts on account of forfeiture of warrants Rs. 17,960,000/-.

27 Borrowings :

Bank Overdraft:

The company has overdraft facility from scheduled bank of Rs.1.27 Crores (P.Y. Rs. 2.10 Crores) against which outstanding balance as at 31st March, 2015 was Rs.1.27 Crores (P.Y.Rs. 2 Crores). The overdraft facility is secured against Personal Guarantee of both Directors and equitable mortgage of the property own by the company. Facility carries interest ranging from 14 to 14.75%.

28 ICD:

Inter corporate deposit of Rs. 9,200,388/- (P.Y. 5,000,388/-) as at 31.03.2015 received from Enpee Enterprises Pvt. Limited is secured against Pledge of Equity shares as well as Company premises in BSE Building. It carries interest @21% p.a. There are no stipulations as to repayment of ICD.

29 Managerial Remuneration :

Whole time directors are paid remuneration of Rs. 175,000/- per month and other perquisites and benefits. The computation of net profit under section 197/198 of the Companies Act, 2013 has not been given since no commission is paid / payable to any director in the current year.

Action Financial Services (India) Limited

30 Auditor's remuneration:

Particulars	2014-15	2013-14
Audit Fees	239,888	190,242
Tax Audit Fees	75,000	50,000
Other Charges , Certification etc	225,000	200,000
Total	539,888	440,242

31 Trade Receivables :

In compliance with RBI guidelines in relation to Non-Banking Financial Companies, the company has provided Rs. Nil (P.Y. 157,082/-) as opening provision was more than 0.25% of standard asset as 'Contingent provision against standard assets. The provision for Non performing assets is maintained at Rs. 857,945/- (P.Y. Rs. 570,554/-) being 10% of receivables outstanding for more than 6 months from due date. The company has written off Rs. 287,391/- being excess provision for Non performing assets included under Other Expenses.

32 Bad debts written off:

During the year the company has written off Rs.1,77,698/- being bad debts net off write back.

33 Investments:

- The aggregate market value of quoted investments as at 31.03.2015 is Rs. 62,879,539/-(P.Y. Rs. 63,073,655/-) as against the total cost of quoted investment of Rs. 55,295,740/- (P.Y. Rs. 60,576,776/-).
- No provision for diminution in the value of quoted investment is considered necessary as in the management's view the short fall in market value of few of the script is of temporary nature.
- Details of opening and closing stock of investments are given below: -

Name of the Company	As on 31st March 2015			As on 31st March 2014		
	No. of Shares	Face Value Rs.	Cost Rs.	No. of Shares	Face Value Rs.	Cost Rs.
(A) Quoted Shares (Fully Paid) at cost						
BALRAMPUR C	-	-	-	16,230	1	883,120
BHART	7,122	5	931,792	7,122	2	931,792
BHEL	7,231	2	2,639,879	7,231	5	2,715,905
BHU STEE STR	27,503	2	13,566,321	27,503	2	13,566,321
CHAMB.FER(DM	27,150	10	1,238,693	27,150	10	1,238,693
HINDUS CONST	-	-	-	935	1	12,856
HOTEL LEELAV	-	-	-	741	2	14,894
HOUSING DEVE	8,900	2	7,836,799	9,100	2	8,011,003
IFCI LTD	12,122	10	404,674	12,122	10	404,674
INDIA SECURI	-	-	-	1,300	2	15,925
INFOSYS TECH	-	-	-	27	5	89,602

JAIPRAK ASSO	15,230	2	561,690	15,230	2	561,690
MARKSANS PHARMA	27,300	1	230,724	27,300	1	230,724
MCLEOD RUSEL	175	5	51,894	175	5	51,894
PENINSULA LAND	19,616	2	552,940	19,616	2	864,990
RELIANCE	3,460	10	2,836,075	4,460	10	3,901,688
SAKTI SUGAL	17,381	10	356,442	17,381	10	356,442
SAPAN CHEMICALS LIMITED	-	-	-	500	10	645
TATA GLOBAL BECERAGES LIMITED	17,540	1	2,770,885	17,540	1	2,770,885
TCS LTD	8,016	1	14,704,596	7,766	1	14,172,534
TECH MAHINDRA	-	-	-	26,015	10	3,168,163
TTML	545	10	4,306	545	10	4,306
Continental Controls Ltd	10	46,124	184,957	46,124	10	184,957
PVP Vent Ltd	10	500	7,030	500	10	7,030
Bharat Electronics	10	3,010	2,876,045	3,010	10	2,876,045
Tata Global	1	25,000	3,540,000	25,000	1	3,540,000
Total (A)			55,295,740			60,576,776
(B) Unquoted Shares (Fully Paid)						
Bangalore Stock Exchange Ltd	7,228	1	1,229,609	7,228	1	1,229,609
BSE Limited	23,257	1	2,683,500	23,257	1	2,683,500
Suman Resort	10,000	10	100,000	10,000	10	100,000
Total (B)			4,013,109			4,013,109
Grand Total (A+B)			593,088,849			64,589,885

- 34 In case of Stock in Trade, full provision for diminution in value of stock amounting to Rs. 698,155/- (P.Y. Rs. 1,624,690/-) has been made in the accounts.
- 35 During the year the Company has entered into futures and option contracts on National stock exchange in equity segment and currency segment. The open position as on 31.03.15 is Rs. 20,354,888/- (P.Y. Rs 8,495,282/-)
- 36 The consolidated financial statements have been prepared in accordance with the Accounting Standard (AS) 21 and the Accounting Standard (AS) 23, notified under section 133 of the Companies Act, 2013. The consolidated financial statements of Action Financial Services (India) Ltd. Holding company include its wholly owned subsidiaries as under:-

Sr. no.	Name	Country	Proportion of ownership Interest as at 31 st March 2015	Proportion of ownership Interest as at 31 st March 2014
1.	Action Securities Limited	India	100 %	100 %
2.	Action Commodities Limited	India	100%	100%

Action Financial Services (India) Limited

37 Provision for Taxation:

Tax provision for the year has been made on the basis of Minimum Alternate Tax (MAT provision) of the Income Tax Act, 1961.

38 Earnings per Share (EPS):

Sr. No.	Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
(A)	Profit /(Loss) After tax	20,30,581	11,30,118
(B)	Unpaid Dividend of preference Share (Not Provided)	828,000	828,000
(C)	Profit /(Loss) attributable to Equity Shareholders (in Rs.) after tax	12,02,581	302,118
(D)	Nominal Value of Equity Shares (in Rs.)	10	10
(E)	Weighted Number of Equity Shares outstanding during the Year	12,504,500	12,504,500
(F)	Diluted Number of Equity Shares outstanding during the Year	12,504,500	13,734,500
(G)	Basic Earnings Per Share (in Rs.) (C/E)	0.10	0.02
(H)	Diluted Earnings Per Share (in Rs.) (C/F)	0.10	0.02

39 a. Based on the details regarding the status of the suppliers, to the extent obtained, no supplier is covered under the Micro, Small and Medium Enterprises Development Act, 2006. The auditors have relied upon the management representation in this regard.

b. To the extent information available with the company, the company does not owe any sum to small scale industrial unit as defined in clause (j) of Section 3 of the Industrial (Development & Regulation) Act, 1951. The auditors have relied upon the management representation in this regard.

40 Disclosures as required by Accounting Standards 19 - Leases are given below: -

- The Company has taken one office premises under lease and license agreements.
- Lease payments are recognized in the statement of Profit and Loss under "Rent"
- The future minimum lease payments under Non Cancellable operating lease:

Particulars	Year Ended 31.03.2015 Amount (Rs.)	Year Ended 31.03.2014 Amount (Rs.)
Not later than one year	1,261,500	2,520,000
Later than one year and not later than five years	520,844	1,260,000
More than five years	NIL	NIL

41 As per Accounting Standard 18, the disclosures of transaction with the related parties as defined in the Accounting Standard are given below:

a. Relationship & name of related party:

SN.	Relation	Related Party
1.	Enterprise controlling the company	NA
2.	Key Management Personnel	1. Mr.Milan R.Parekh Chairman & Managing Director 2. Mr.Bakul R.Parekh Joint Managing Director & CFO w.e.f. 12/02/2015 3. Jayantilal Suthar CS w.e.f. 01/10/2014
3.	Enterprise controlled by the company	Subsidiaries: 1. Action Securities Limited 2. Action Commodities Limited
4.	Relative of key management Personnel	1. Sagar Parekh 2. Nayana Parekh
5.	Enterprise under control of relative of Key Management Personnel	R. B. Parekh - HUF
6.	Enterprise under common control of Key Management Personnel	M/s. Milan R Parekh

b. Details of transactions with related parties are as follows:

SN.	Relation	Related Party		
1.	Enterprise controlling the Company	NA		
2.	Key Management Personnel	Mr. Milan R Parkeh		
		Nature of Transaction	Current Year	Previous Year
		Remuneration	2,429,574	2,437,960
		Mr. Bakul R Parkeh		
		Nature of Transaction	Current Year	Previous Year
		Remuneration	2,421,699	2,437,960
3.	Enterprise controlled by the company	Nature of Transaction	Current Year	Previous Year
		Professional Expenses	1,035,000	1,504,883
		Brokerage income on shares	48,609	7,685
		Rent received	300,000	120,000
		Deposit	75,000	75,000
		Closing Balance	268,824	(103,540)

Action Financial Services (India) Limited

4.	Relative of key management Personnel	Nature of Transaction	Current Year	Previous Year
		Brokerage	25,867	29,020
		Brokerage	4,287	5,300
		Brokerage	43,248	-
5.	Enterprise under control of relative of Key Management Personnel	None		
6.	Enterprise under common control of Key Management Personnel	None		

42 There is no amount payable towards Investor education and protection fund u/s 125 of the Companies Act, 2013.

43 Long term contracts and derivatives contracts:

The Company does not have long term contract including in the nature of derivative contracts except lease agreement for premises. There are no foreseeable losses on such contracts.

44 Public Deposits:

The Company has not accepted any deposits from public within the meaning of sections 73 to 76 of the Companies Act, 2013 and Rules framed there under.

45 Impact of Schedule II:

In accordance with requirements prescribed under Schedule II of the Companies Act, 2013, the company has assessed the estimated useful life of its assets and has adopted the useful life as prescribed in the Schedule II in respect of all assets.

The impact of the change in estimated useful life of the fixed assets are as given below-

- i. The depreciation charged to retained earnings includes the carrying amount of those assets whose remaining useful life has become nil at the beginning of the financial year amounting to Rs. 713,433/- and depreciation credited to retained earnings towards excess depreciation charged in earlier year of Rs. 373,309/- The net effect of above two is Rs. 340,124/-.
- ii. The depreciation charged to Statement of Profit and Loss is higher by Rs. 6,08,725/- on account of changes in estimated useful life.

46 Company's primary business activities are Broking and Depository Services, both are covered under one broad segment of Share broking activities hence segment reporting is not applicable.

- 47 Exceptional items consist of profit on sale of fixed assets (office premise) during the year and does not constitute sale of substantial part of Fixed Assets.
- 48 Previous year's figures have been regrouped, reclassified and/or renamed to confirm to this year's classification.

As per our report of even date

For and on behalf of the Board

For Ford,Rhodes,Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W

Milan R. Parekh
Chairman & Managing Director
DIN : 00108368

A. D. Shenoy
Partner
Membership No.11549

Bakul R. Parekh
Joint Managing Director & CFO
DIN : 00108609

Place : Mumbai
Date: 29th May 2015

Place : Mumbai
Date: 29th May 2015

Action Financial Services (India) Limited

Action Financial Services (India) Limited

CIN: L65944MH1992PLC068879

Registered Office: "46 & 47, 6th Floor, Rajgir Chambers,
12/14, Shahid Bhagat Singh Road,

Opp.Old Custom House, Fort, Mumbai - 400023.Tel. No.: 022-40624444 / Fax No: 022-4062 4447

E-mail Id: actionfin@actionfin.com / Website: www.actionfin.com

ATTENDANCE SLIP FOR 22nd ANNUAL GENERAL MEETING

Registered Folio / DP ID & Client ID		
No. of Shares		
Name and Address of the Shareholder(s):		
Joint Holder(s):		
I/we hereby record my/our presence at the 22 nd Annual General Meeting of the Company held at "11-15, 2nd Floor, Rajgir Chambers, 12/14, Shahid Bhagat Singh Road, Opp. Old Custom House, Fort, Mumbai-400023 on 29 th September, 2015 at 11.00 a.m."		
If Shareholder(s), please sign here		If Proxy, please mention name and sign here
		Name of the Proxy
		Signature
Note: Please sign this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING HALL.		

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	*Default PAN
150824054	

*Only Members who have not updated their PAN with the Company / Depository Participant shall use default PAN/Sequence number mentioned in the address sticker.

Note:

Please read the instructions for e-voting given along with notice of the 22nd Annual General Meeting. The Voting period starts from Saturday, September 26, 2015 (9.00 a.m.) and ends on Monday, September 28, 2015 (5.00 p.m.).The voting module shall be disabled by CSDL for voting thereafter.

FORM No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN L65944MH1992PLC068879
 Name of the Company Action Financial Services (India) Limited
 Registered office 46 & 47, 6th floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, Opp. Old Custom House, Fort Mumbai - 400023.

Name of the member(s)	
Registered Address	
Email ID	
olio No./ Client ID	
DP ID	

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name :
 Address :
 Email ID :
 Signature :, or failing him
2. Name :
 Address :
 Email ID :
 Signature :, or failing him
3. Name :
 Address :
 Email ID :
 Signature :

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at Twenty-Second Annual General Meeting of the Members of Company held at 11-15, 2nd floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, opp. old Custom House, Fort Mumbai-400023 on 29th September, 2015 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Action Financial Services (India) Limited

Resolution No.

1. To receive, consider and adopt Financial Statements as at 31st March, 2015 together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Milan Parekh, (DIN No.: 00108368) who retires by rotation, and being eligible offers himself for re-appointment.
3. To ratification of Auditors and to fix their remuneration.
4. To appoint Mrs. Parul Bhavesh Doshi, (DIN No.: 07129363) as the Independent Director.
5. To Adoption of new set of Articles of Association of the Company as per new the Companies Act, 2013.

Signed this day of 2015



Signature of shareholder:

Signature of Proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Company Master Details	
CIN	: L65944MH1992PLC068879
Company Name	: ACTION FINANCIAL SERVICES (INDIA) LTD.
ROC code	: 068879
Company Category	: Company Limited by Shares
Company Subcategory	: Indian Non-Government Company
Class of Company	: Public
Authorised Capital(in Rs.)	: 150,000,000.00
Paid up capital(in Rs.)	: 133,325,000.00
Number of Members (Applicable only in case of company without Share Capital)	: 0
Date of Incorporation	: 01/10/1992
Address 1	: 46 & 47, 6th Floor, Rajgir Chambers, 12/14, Shahid Bhagat Singh Road,
Address 2	: Opp. Old Custom House, Fort
City	: Mumbai
State	: Maharashtra
Country	: India
Pin	: 400023
Email Id	: actionfin@gmail.com
Whether listed or not	: Listed
Date of Last AGM	: 25/09/2014
Company Status (for eFiling)	: 31/03/2014
Company Status (for eFiling)	: Active

Book Post
Printed Matter

If undelivered, please return to:

ACTION FINANCIAL SERVICES (INDIA) LTD

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

Or

LINK INTIME INDIA PVT. LTD.

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078.

UNDER CLAUSE 31(a) OF THE LISTING AGREEMENT

1.	Name of the company	Action Financial Services (India) Limited
2.	Annual financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.

For Action Financial Services (India) Ltd.

Milan Parekh
Milan Parekh
Managing Director
(DIN No.: 00108368)

B.R. Parekh
Bakul Parekh
Jt. Managing Director & CFO
(DIN No.: 00108609)