

ORDER PASSED BY THE DELISTING COMMITTEE OF BSE LTD. IN THE MATTER OF ACTION FINANCIAL SERVICES (INDIA) LTD. FOR COMPULSORY DELISTING UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY SHARES) REGULATIONS, 2021, SECURITIES CONTRACTS (REGULATION) ACT, 1956 r/w SECURITIES CONTRACTS (REGULATION) RULES, 1957 AND RULES, BYE-LAWS AND REGULATIONS OF BSE LTD.

1. This Order is being passed under Regulation 32 of Chapter V under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (as amended from time to time) ("**Delisting Regulations**") r/w Section 21A of the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**") and the Rules, Bye-Laws and Regulations of BSE Limited ("**Exchange**") in the matter of compulsory delisting of equity shares of Action Financial Services (India) Ltd. ("**Company**") from the Exchange.
2. At the meeting held on June 24, 2024, the Committee perused the record, considered the facts and the relevant provisions of law, including the circulars issued by SEBI. The Committee unanimously decided that the Company ought to be delisted from the platform of the Exchange for reasons to be separately recorded. Accordingly, the Committee proceeds to furnish the reasons for its decision.
3. The relevant facts are as follows:
 - a. The trading in the equity shares of the Company was suspended by the Exchange, pursuant to the provisions of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12

dated January 22, 2020 (erstwhile Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018), w.e.f. January 18, 2021 on account of non-compliance for two consecutive quarters i.e March 2020 and June 2020 with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) and in particular sub-regulation (3) thereof. The said suspension was notified on the Exchange’s website vide notice no. 20201216-46 dated December 16, 2020.

- a. A letter dated January 29, 2021 (“**advisory letter**”) was sent by the Exchange to the Company on its email id ig@actionfin.com ; stating inter-alia, that the Exchange had informed the Company about its non-compliance with the provisions of Regulation 33 of LODR Regulations, the quantum of fines payable and the further action that would be initiated pursuant to SEBI circular dated January 22, 2020 (erstwhile SEBI circular dated May 3, 2018), if the Company failed to comply with the obligations and pay the fines. The said email further stated that as the Company had failed to comply with its obligations and to pay the fines, the trading in the scrip was shifted to “Z” group w.e.f. December 1, 2020 and that the trading in the securities has been suspended w.e.f January 18, 2021. The provisions of SEBI circular dated January 22, 2020 dealing with the consequences of non-compliances and failure to pay the fine within 6 months from the date of the suspension were notified in the said email. This included initiation of the process of compulsory delisting under the SCRR and Delisting Regulations. The Company was accordingly

advised to comply with the obligations and pay the fines for completing the process for revocation of suspension.

- b. The Company has not taken all the steps necessary to enable revocation of suspension in the trading of securities by the Exchange and consequentially, the suspension in the trading of securities continues till date.
- c. As the Company has failed to take requisite steps for enabling revocation of the suspension in the trading of securities by the Exchange, the shareholders / investors are deprived of the facility for dealing in the securities of the Company.
- d. The Exchange *vide* email dated November 25, 2021, informed the Company about revision in processing fees and reinstatement fees for revocation of suspension in trading of securities of the Company w.e.f. January 01, 2022.
- e. In spite of the aforesaid communication from the Exchange providing adequate time for enabling revocation of suspension in the trading of the securities of the Company, the Company failed to take adequate steps for revocation of suspension.
- f. Therefore, under the aforesaid regulatory framework, a Show Cause Notice (“SCN”) dated June 28, 2022 was issued to the Company at its last known registered address available with the Exchange and as available on the website of Ministry of Corporate Affairs (www.mca.gov.in), calling upon the Company to show cause as to why the securities of the Company should not be compulsorily delisted from the platform of the Exchange in terms of Chapter V of the Delisting Regulations. The Company was also informed that if it wished to avail an opportunity of personal

hearing before the Delisting Committee of the Exchange (**“Committee”**), it should include such request in its response to the SCN.

- g. An email attaching the said SCN was also sent to the Company on June 28, 2022.
- h. The Company vide email dated July 19, 2022 had stated the following:

“.....I acknowledge the receipt of your Show cause notice dated 28.06.2022, on 07.07.2022.

I would like to inform that since March 2020, the Covid time Company Action Financial Services India Limited was facing problem with regards to timely Compliance, Manpower & Financial difficulties. Due to which I have taken a decision to surrender our membership of BSE, NSE & Depository Participants activities in the month of September 2020. There were no support from manpower to do normal & Compliance activity during the covid time. Till the time Covid came, our company was very particular on account of Compliance. We have never being defaulted in compliance all these years.

Accordingly In the absence of Manpower, to cope up with compliance activity single handedly was not possible. So the decision was taken for surrendering the membership. Later in January 2021 we were declared defaulter by the exchange on account of non compliance. There is no pending amount to be paid to exchange on account of settlement activity to any of the exchange. But due to financial problems we were not able to make the payment for some of the compliance activity like listing fees, clients outstanding etc.. We were also not able to complete our Statutory & Secretarial audit since March 2020 as fees to the auditors &

Professional Company secretary were not able to pay. Certificate from RTA is also not received as we were not able to pay fees since June 2020. So the declaration of quarterly & yearly results could not declared. All theses was not possible as there is no activity in the company . In the absence of generation of income none of the statutory payments could be done.

With regards to Board of directors, everyone has resigned, except Mr. Harbhajansingh Dhillon & myself. Mr.Harbhajansingh Dhillon passed away in October 2021. So at present I am the only one in the company as Chairman & whole time director.

In the given scenario, my only pray to the exchange is that promoter & promoter group's demat account which are freezed to be released from freeez.

I would request to DEFREEZE or release the freez on the demat account of Promoter & promoter Group. In promoter group only my wife, Nayana M Parekh, is included, as she got few shares in Action Financial Services India Limited(AFSL) for here share in M/s Milan R Parekh. During 1997 M/s Milan R Parekh, membership of BSE was converted in to corporate & she was partner in M/s Milan R Parekh. Accordingly she was allotted shares in AFSL. She is holding 0.3488% of AFSL shares in total paid up equity of Rs.12.50 cr. Nayana M Parekh holds 43600 shares of AFSL. As promoter Myself & my brother Bakul R Parekh are holding 21.42 & 16.31 % of AFSL equity respectively.

I have explained my case as above. Once again I request you to defreeze our demat accounts.

Before taking the decision I wish to have a personal hearing on the matter.....”

- i. Pursuant to the above and in terms of the Delisting Regulations, Initial Public Notices (“IPN”) were published in one English national newspaper viz., The Financial Express (all editions) dated April 10, 2023 one Hindi national newspaper viz. Business Standard (all editions) dated April 10, 2023 and one vernacular newspaper viz. Navshakti (in Marathi) dated April 10, 2023 inter alia, informing about the proposal for compulsory delisting of the equity shares of the Company and inviting representations from any concerned person desirous of making any representation to the Exchange, within 15 working days of the notice, at the specified email id bse.delistscn@bseindia.com. The IPNs were also disseminated on the Exchange’s website. Link of the IPN was sent to the Company and its promoters through email on April 11, 2023.
- j. In response to the IPN issued by the Exchange, the Exchange did not receive any representation. Nor did the Company initiate any steps for revocation of suspension in the trading of equity shares of the Company.
- k. A letter dated April 12,2024 was sent by the Exchange to the Company granting an opportunity of personal hearing to the Company, to make the submission/representation before Delisting Committee of the Exchange (meeting through video conferencing). An email was also sent by the Exchange to the Company and its promoters on April 12, 2024 on the email ids: PAREKMILAN444@YAHOO.CO.IN ; nayanamparekh@gmail.com ; nayanam_parekh@indya.com ; bakul@actionfin.com ; brp1963@gmail.com ;

parekhmilan444@yahoo.co.in ; parekhmilan444@yahoo.co.in ;
actionfin@gmail.com ; ig@actionfin.com ; prakash@actionfin.com. Further, the Exchange had inter-alia provided the details of pending compliances and outstanding dues.

- l. In response, the Company vide email dated April 12, 2024 had stated the following:
*“.....This is with respect to your email dated 12.04.2024 I wish to inform that I will be attending the Personal hearing for Delisting of AFSL Shares.
Kindly send the Link for Video Conferencing Meeting.....”*
- m. The Company vide email dated April 20, 2024 had inter-alia stated the following:
*“.....Thanks for the time given for personal meeting.
As suggested I a writing to know the reasons & by which department for which our demat accounts are Freeze.
Awaiting your early reply.....”*
- n. The Company vide email separate email dated April 20, 2024 had stated the following:
*“....With respect to your email & personal meeting, I wish to inform that I would like to attend personal hearing on line. Please share the link.
My reply on company's letter head is attached herewith for delisting of stocks of Action Fiancial services India Limited....”*
- o. Further, the Company vide email dated April 20, 2024 enclosing the letter of even date had stated the following:

".....I acknowledge the receipt of your email and all the documents along with all previous show cause Notices.

Thanks for granting us an opportunity for the personal hearing before the Delisting Committee of the exchange in its meeting Schedule to be held on April 26th 2024 (Through Video Conferencing) fro 3.30 pm to 5.00 pm.

I on behalf of the company wish to inform that we give our confirmation for the compulsory delisting process of our shares of Action Financial Services India Limited. At present there is no one n the company & all the activities are suspended since January 2021. During the Covid time Company suffered heavily and has to surrender our BSE & NSE membership to Exchange in September 2020. Later in January 2021 Exchange declared our company as defaulter.

Due to above reasons we could not comply with many of the regulations of the listing and compliance. At present company don't have any office as well as any records.

I would personally request the committee to help us out for smooth transition and inform for DEFREZING our demat account. My wife's account is also freezed though she was not the whole time official or signatory in the company. She was only holding 0.34% shares of Action Financial Services India limited due to which she was considered as part of the promoter. This shares she got it when M/S Milan Parekh 's BSE membership got converted in Corporate. She was sleeping partner in M/S Milan R Parekh for 1% of shares.

Please send me the link to attend the personal hearing

Hope to get the support....”

- p. The Exchange vide email dated April 24, 2024 had informed the company that the Delisting Committee meeting which was scheduled to be held on April 26, 2024 had been rescheduled. The revised date of the Delisting Committee meeting would be informed separately.
- q. Further, in response to the aforesaid Company email dated April 20, 2024, the Exchange vide separate email dated April 24, 2024 had provided the requisite reason for freezing the demat account of promoter(s) of the company.
- r. Again, a letter dated June 5, 2024 was sent by the Exchange to the Company granting an opportunity of personal hearing to the Company, to make the submission/representation before Delisting Committee of the Exchange (meeting through video conferencing). An email was also sent by the Exchange to the Company and its promoters on June 5, 2024 on the email ids: ig@actionfin.com ; prakash@actionfin.com ; actionfin@gmail.com ; pm@actionfin.com ; actionfin@gmail.com ; PAREKHMILAN444@YAHOO.CO.IN ; nayanamparekh@gmail.com ; nayanam_parekh@indya.com ; bakul@actionfin.com ; brp1963@gmail.com ; parekhmilan444@yahoo.co.in ; parekhmilan444@yahoo.co.in. Further, the Exchange had again inter-alia provided the details of pending compliances and outstanding dues.
- s. In response, the Company vide email dated June 6, 2024 had stated the following:
“.....This is with respect to your email dated 05.06.2024 I wish to inform that I will be attending the Personal hearing for Delisting of AFSL Shares.

I have attached letter for attending personal Hearing.

Kindly send the Link for Video Conferencing Meeting....”

- t. Further, the Company vide email dated June 6, 2024 enclosing the letter of even date had stated the following:

“.....”.....I acknowledge the receipt of your email and all the documents along with all previous show cause Notices.

Thanks for granting us an opportunity for the personal hearing before the Delisting Committee of the exchange in its meeting Schedule to be held on April 26th 2024 (Through Video Conferencing) from 10.30 am TO 12.30 pm.

I on behalf of the company wish to inform that we give our confirmation for the compulsory delisting process of our shares of Action Financial Services India Limited. At present there is no one in the company & all the activities are suspended since January 2021. During the Covid time Company suffered heavily and has to surrender our BSE & NSE membership to Exchange in September 2020. Later in January 2021 Exchange declared our company as defaulter.

Due to above reasons we could not comply with many of the regulations of the listing and compliance. At present company don't have any office as well as any records.

I would personally request the committee to help us out for smooth transition and inform for DEFREZING our demat account. My wife's account is also freeze though she was not the whole time official or signatory in the company. She was only

holding 0.34% shares of Action Financial Services India limited due to which she was considered as part of the promoter. This shares she got it when M/S Milan Parekh 's BSE membership got converted in Corporate. She was sleeping partner in M/S Milan R Parekh for 1% of shares.

Please send me the link to attend the personal hearing

Hope to get the support....”

- u. The notices were published in one English national newspaper viz., The Financial Express (all editions) dated June 8, 2024, one vernacular newspaper viz. Navshakti (in Marathi) dated June 8, 2024 and one Hindi national newspaper viz., Business Standard (all editions) dated June 8, 2024, inter alia, granting the Company a last and final opportunity to inform the Exchange whether it wanted to avail a personal hearing before the Delisting Committee of the Exchange. Further it was also stated that if no response was received from the Company within the stipulated timelines and in the prescribed mode, it would be presumed that the Company has waived the opportunity of being heard and the Delisting Committee shall be constrained to decide the matter, on an ex-parte basis and the Exchange shall proceed with the process for compulsory delisting. Further, it was specified that the Company may address a communication at the specified email id: bse.delistscn@bseindia.com by June 11, 2024. The said notices were also disseminated on the Exchange’s website.
- v. The Exchange Vide email dated June 21, 2024 had provided the details of link to the Company to join the meeting scheduled on June 24, 2024.

4. As stated above, the matter of compulsory delisting of the Company was placed before the Delisting Committee in its meeting held on June 24, 2024.
5. On June 24, 2024, Mr. Milan Parekh, Promoter, appeared before the Delisting Committee and inter-alia, submitted the following:
 - a. There is no one in the company and all activities are suspended since January 2021.
 - b. The company was in deep trouble during COVID-19 time, the company suffered heavily and had to surrender BSE & NSE membership to Exchange in September 2020.
 - c. Since March 2020, the company is unable to prepare its Balance Sheet.
 - d. Later in January 2021, the company was declared defaulter by the Exchange.
 - e. The reason for not paying Annual Listing fees is that Company Bank accounts have been frozen and there is no revenue also.
 - f. The company is desirous of getting itself delisted from the Exchange.
 - g. Request was made to unfreeze the promoter/promoter group demat account.
6. Rule 21 of SCRR prescribes various grounds for compulsorily delisting the equity shares of a listed company by the Exchange, one of which is continuation of suspension in the trading of the securities for a period of more than six months.
7. The SCN, inter alia, states that the Company has failed to take steps to enable revocation of suspension in the trading of its equity shares and that the trading in equity shares had been suspended for more than 6 months.
8. These facts have not been controverted.

9. Based on the aforesaid facts, the Committee observed that:
- a. It is an admitted position that the trading in equity shares of the Company has remained suspended for a period of more than six months in terms of Rule 21 of SCRR. It is established that the Company has not complied with the requirements for revocation of suspension. Hence, the suspension in the trading of securities of the Company continues as on date thereby depriving the shareholders of the Company the facility of dealing in its securities. The public shareholding of the Company as per the last filing with the Exchange is 61.92%.
 - b. The Company is non-compliant with the following critical regulations of SEBI LODR, Regulations.
 - i. Regulation 27(2):- Corporate Governance report
 - ii. Regulation 31:- Shareholding Pattern
 - iii. Regulation 33:- Quarterly Results
 - iv. Regulation 34:- Annual report
 - v. Information on the Reconciliation of Share Capital Audit Report.
 - c. The aforesaid facts indicate negligent conduct and lack of interest on the part of the Company in complying with its obligations and revoking the suspension in the trading of securities which happened in the year 2021.
 - d. In terms of the requirements of Delisting Regulations, IPN was published in one English national daily viz., The Financial Express (all editions) dated April 10, 2023 one Hindi national newspaper viz. Business Standard (all editions) dated April 10, 2023 and one vernacular newspaper viz. Navshakti (in Marathi) dated April 10, 2023, inter alia,

informing about the proposal for compulsory delisting of the equity shares of the Company. The representations were received from the Company as stated above and representation submitted by the company during the meeting of Delisting Committee held on June 24, 2024.

- e. Moreover, the Company is desirous of getting itself compulsorily delisted from the Exchange.
- f. The aforesaid findings establish the grounds for compulsory delisting of the securities of the company in terms of Rule 21 of SCRR read with Regulation 32 (4) of Delisting Regulations. Thus, the ground for compulsory delisting under Section 21A of SCRA read with Rule 21 of SCRR is established.

ORDER

- 10. In exercise of powers vested with the Committee under Regulation 32 (2) of the Delisting Regulations, all listed equity shares of the Company are hereby compulsorily delisted from the platform of the Exchange.
- 11. The securities of the Company will stand compulsorily delisted with effect from the date mentioned in the notice issued by the Exchange on its website informing the market participants about the compulsory delisting of the securities of the Company.

Date: August 22, 2024

Sd/-
Chairman

Sd/-
Member



Sd/-
Member

Sd/-
Member

Sd/-
Member