

ACTION FINANCIAL SERVICES (INDIA) LIMITED

Giving Power To Your Investments

MEMBER: NSE & BSE (CASH SEGMENT) - NSE (DERIVATIVES) - DEPOSITORY PARTICIPANT
SEBI REGISTRATION NO.: INZ000179538 - IN-DP- NSDL-21-97
CIN: L65944MH1992PLC068879 • WEBSITE: www.actionfin.com

Tel.: (91) (22) 43654444 • Fax: (91) (22) 43654446

Email: actionfin@actionfin.com (Broking Division) • actiondp@actionfin.com (DP Division)

Registered Office:

46 & 47, Rajgir Chambers, 6th Floor,
12/14 - Shahid Bhagat Singh Road,
Opp. Old Custom House, Fort,
Mumbai - 400001.

Corporate Office (DP & Broking Division):

11 to 15, Rajgir Chambers, 2nd Floor,
12/14 - Shahid Bhagat Singh Road,
Opp. Old Custom House, Fort,
Mumbai - 400001.



Date: 31.08.2019

To,

Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Ref: Scrip ID – ACTIONFI Scrip Code - 511706

Sub: Submission of copy of Annual Report under Regulation 34

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report for the year 2018-19.

Kindly take the same on record and oblige.

Thanking You

Yours faithfully,

For Action Financial Services (India) Limited


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



Encl.: As above

**ACTION
FINANCIAL
SERVICES
(INDIA)
LIMITED**



**Twenty Sixth
Annual Report
2018-2019**



THE ACTION TEAM

Mr. Milan R. Parekh	:	Chairman & Managing Director
Mr. Bakul R. Parekh	:	Jt. Managing Director & CFO
Mr. Harbhajan Singh Dhillon	:	Director
Mr. Raja Gupta	:	Director
Mrs. Parul Doshi	:	Director

AUDIT COMMITTEE

Mr. Raja Gupta (Chairman)
Mr. Harbhajan Singh Dhillon
Mrs. Parul Doshi

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Harbhajan Singh Dhillon (Chairman)
Mr. Raja Gupta
Mrs. Parul Doshi

NOMINATION & REMUNERATION COMMITTEE

Mr. Harbhajan Singh Dhillon (Chairman)
Mr. Raja Gupta
Mrs. Parul Doshi
Mr. Milan Parekh

RISK MANAGEMENT COMMITTEE

Mr. Milan Parekh
Mr. Harbhajan Singh Dhillon
Mr. Sanjay Gupta

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AUDITORS	:	M/s. Jain Chowdhary & Co. Chartered Accountants
BANKERS	:	Axis Bank, Allahabad Bank, Bank of India, HDFC Bank Ltd., ICICI Bank Ltd, Yes Bank
REGISTRAR & SHARE TRANSFER AGENT	:	M/s. Link Intime India Pvt. Ltd. C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 Phone: 4918 6000 Fax: 4918 6060
REGISTERD OFFICE	:	46/47, 6th Floor, Rajgir Chambers, 12/14 Shahid Bhagat Singh Rd, Fort, Mumbai- 400 001 Tel. 4365 4444 Fax: 4365 44 46 Email ID: actionfin@actionfin.com Website: www.actionfin.com
BROKING DIVISION & SECURITIES BANKING CELL (Depository Participant of NSDL)	:	11/15, 2nd floor, Rajgir Chambers, 12/14 Shahid Bhagat Singh Rd, Fort, Mumbai - 400 001 Tel. 4365 4444 Fax: 4365 44 46 Email ID: actionfin@actionfin.com Website: www.actionfin.com
BRANCH WITH BSE & NSE TERMINALS	:	Mumbai (Fort, Matunga, Borivali), Bokaro
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 OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty-Sixth** 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-400001 on **Friday, 27th September, 2019** 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, 2019 together with the Directors' Report and Auditors' Report thereon.
2.	To appoint a Director in place of Mr. Milan Parekh, who retires by rotation, and being eligible offers himself for re-appointment.
3.	To appoint the auditors and fix their remuneration.
	<p>To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:-</p> <p>"RESOLVED THAT pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, M/s. Jain Chowdhary & Co. (FRN:113267W), Chartered Accountants, Mumbai, be and are hereby appointed as the Auditors of the Company, to hold office for the period of four (4) years from the conclusion of this meeting until the conclusion of the 30th Annual General Meeting of the Company to be held in F.Y. 2023-24 at a remuneration as may be decided by the Chairman"</p>
SPECIAL BUSINESS:	
4	To appoint Mr. Harbhajan Singh Dhillon (DIN: 05322003) as Independent Director.
	<p>To consider and, if thought fit, to pass the following resolution as a Special Resolution:-</p> <p>"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 and the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Harbhajan Singh Dhillon (DIN: 07034154), be and is hereby appointed as an Independent Director (Non-executive) of the Company to hold office for 5 (Five) years w.e.f 27th May, 2019, and whose office shall not be liable to retire by rotation."</p>

**By order of the Board of Directors
For 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 - 400001.
Date: 23rd August, 2019

**Siddheshwar Thorat
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 carrying voting rights. Members holding more than ten percent of the total share capital of the company may appoint single person as proxy who shall not act as proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. The 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 **Friday, 20th September, 2019 (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.

3. Voting through electronic means

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

- IV. The remote e-voting period commences on **Tuesday, 24th September, 2019 at 9:00 a.m. and will end on Thursday, 26th September, 2019 at 5:00 p.m.** During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Friday, 20th September, 2019 (Cut-off Date)**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jppvapi13@csjpc.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **Friday, 20th September, 2019**.
- VII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e **Friday, 20th September, 2019**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or ig@actionfin.com.

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

- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. The Company has appointed CS Ronak Kalathiya failing which, CS Monali Bhandari of M/s Jagdish Patel & Co., Company Secretaries, as the Scrutinizer for conducting the remote e-voting process and at AGM voting by ballot paper in fair and transparent manner.

- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- 4. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days except Saturday & Sunday, up to and at the Annual General Meeting of the Company.
- 5. 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.
- 6. 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.
- 7. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- 8. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
- 9. Additional information, pursuant to Regulation 36(3) of SEBI (LODR) Regulations,

2015, in respect of the appointment or re-appointment of the Director at the AGM is furnished below:

Name	Mr. Milan Parekh	Mr. Harbhajan Singh Dhillon
DIN	00108368	05322003
Age	60 Years	74 Years
Date of Appointment	01.10.1992	27.05.2019
Qualification and Experience	B.Com. and experience in company's business for more than 30 years.	B.E. and experience of more than 45 years.
Other Directorships	a. Action Commodities Limited b. Action Securities Limited	NIL
No. of shares held.	2679056	NIL
Relationship with any Director(s) of the Company	Mr. Bakul Parekh, Jt. Managing Director of the Company.	Not related to any director

**By order of the Board of Directors
For 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 - 400001.

Date: 23rd August, 2019

**Siddheshwar Thorat
Company Secretary**

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

The following statement pursuant to Section 102 of the Companies Act, 2013 sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

SPECIAL BUSINESS:

Item No. 4: Special resolution

Re-appointment of Mr. Harbhajan Singh Dhillon (DIN: 05322003) as Independent Director.

Mr. Harbhajan Singh Dhillon (DIN: 05322003) was appointed as an Independent director of the company by the members at the 22nd AGM of the Company held on 29th September, 2015 for a period of 5 consecutive years w.e.f 01.04.2014 to 31.03.2019.

Accordingly, the tenure of Mr. Harbhajan Singh Dhillon completed on 31st March, 2019 and he ceased to be a director of the company w.e.f. 31st March, 2019.

As per Section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

Based on recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 & 161 read with Schedule IV and any other applicable provisions of the Act, subject to the approval of the shareholders, Mr. Harbhajan Singh Dhillon was appointed as Independent Director (Additional) in the Board meeting held on 27th May, 2019. Accordingly, this is the second term as Independent director in the company for Mr. Harbhajan Singh Dhillon.

Further, As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Mr. Harbhajan Singh Dhillon will attain the age of seventy five years on 06th January, 2020. Therefore, the continuation of his appointment as the non-executive Independent director post 06th January, 2020 will be subject to passing of special resolution to that effect. Mr. Harbhajan Singh Dhillon is B.E. and possesses more

than 45 years of experience. He has been the vital member of the Board and has chaired the Audit Committee & Stakeholders Relationship Committee in his previous term as Independent director in the company. If appointed, his guidance would be immensely beneficial in effective functioning of the Board and furthering of the Business of the Company.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Harbhajan Singh Dhillon fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Non-Executive Director of the Company and is independent of the management.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Harbhajan Singh Dhillon as an Independent Director. Accordingly, the Board recommends the Special Resolution in relation to re-appointment of Mr. Harbhajan Singh Dhillon as an Independent Director for the term of five consecutive years with effect from 27th May, 2019 to 26th May, 2024, for the approval of the shareholders of the Company.

None of the Directors, Key Managerial Persons of the Company or their relatives, is in any way, concerned or interested, financially or otherwise, in the above-said resolution.

**By order of the Board of Directors
For 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 - 400001.
Date: 23rd August, 2019

**Siddheshwar Thorat
Company Secretary**

Action Financial Services (India) Limited

DIRECTORS' REPORT

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

Dear Members,

The Directors have pleasure in presenting the **26th Board's Report** of your Company together with the Audited Financial Statements of your company for the financial year ended **31st March, 2019**.

FINANCIAL RESULTS

(in Rs.)

Particulars	Consolidated		Standalone	
	Current Year	Previous Year	Current Year	Previous Year
Gross Income	46,065,761	44,314,248	45,788,918	44,042,529
Profit Before Interest and Depreciation	11,402,962	5,810,833	11,175,919	6,683,170
Finance Charges	8,005,898	8,938,921	8,005,898	8,920,695
Gross Profit	33,97,064	(3,122,088)	31,70,021	(2,237,525)
Provision for Depreciation	1,407,112	3,583,044	1,399,112	3,575,044
Net Profit Before Tax	1,989,952	(6,711,132)	1,770,909	(5,812,569)
Provision for Tax -Deferred Tax	(430,051)	1,334,754	113,014	1,422,796
- Current Tax	-	-	-	-
- Earlier Tax	-	15,655	-	-
Net Profit After Tax	2,420,003	(8,030,231)	1,883,923	(7,235,365)
Balance of Profit brought forward	-	-	-	-
Balance available for appropriation	2,420,003	(8,030,231)	1,883,923	(7,235,365)
Proposed Dividend on Equity Shares	-	-	-	-
Tax on proposed Dividend	-	-	-	-
Transfer to General Reserve	-	-	-	-
Surplus carried to Balance Sheet	2,420,003	(8,030,231)	1,883,923	(7,235,365)

STATE OF AFFAIRS & FINANCIAL PERFORMANCE

The last quarter of FY19 witnessed the mega event of the democracy i.e. General elections 2019 and the markets were clouded with the pressure of uncertain outcome leading to the volatility. Markets faced the pressure from various global factors such as US-China trade tensions, possibility of no-deal Brexit, rift over sanctions on import of crude oil as well as domestic factors such as rising loan defaults and NPAs, geo-political tensions, political uncertainty and slowdown in crucial sectors such as automobile, agriculture and IT. The retail investors, who form the major part of company's target customers remained susceptible to the outcome of above factors and preferred to stay back from new investments in the market for the major part of FY19. As a result, the company could not achieve its targets as it had expected. The re-election of the existing government with the bigger mandate than before is expected to bring the stability in the market in coming times.

The company has focused on carrying its business from strength to strength and improving its performance by adjusting itself to the market dynamics. The consolidated revenue for the financial year under review was Rs. 46,065,761 as against Rs. 44,314,248 for the previous financial year registering an increase of 3.95%. The Consolidated Profit after tax for the financial year under review was Rs. 2,420,003 as against the loss of Rs. 8,030,231 for the previous financial year. The Standalone revenue for the financial year under review was Rs. 45,788,918 as against Rs. 44,042,529 for the previous financial year registering an increase of 3.97%. The Standalone Profit after tax for the financial year under review was Rs. 1,883,923 as against the loss of Rs. 7,235,365 for the previous financial year. Therefore, the performance of the company was satisfactory despite of huge competition in the broking industry due to cost reduction approach followed by the company and focus on core business structures.

FUTURE OUTLOOK & EXPANSION PLAN

The core business model of the company is purely focused on retail brokerage and our new scheme which was launched few years back to tap the retail participation, could not achieve the expected results. The company is planning the measures to improve the marketing and implementation of the scheme for generating the expected results.

The market competition has been rising after the entry of discount brokers and they have dominated the market in terms of volume growth and market share. However, the company has managed the competition by focusing on maintaining its client base with the proven business model and rearranging its cost structures to bring them at par with the discount brokers.

The company in its endeavour to provide various services to its customers under one umbrella is planning to add the new services to its catalogue such as participation

Action Financial Services (India) Limited

in Securities Lending and Borrowing, trading in Commodity derivatives and investing in Government Securities and bonds by retail investors in the coming financial year. The customers of the company will benefit from the introduction of these services and the company also expects to generate the additional revenue.

REVIEW OF BUSINESS DIVISIONS

Broking Division and Depository Division:

The company operates its business in two primary divisions, Broking division and Depository division under one broad segment of capital markets and is registered as a Stock Broker with the Securities & Exchange Board of India in Capital market segment in BSE and in Capital Market, Future & Options and Currency derivatives Segments in NSE and as a Depository Participant with the NSDL.

Both the divisions registered a satisfactory performance during the year under review. The broking division of company is going through a transition due to various measures introduced by the SEBI during the last couple of years. Under Depository division, the company during the year under review has registered itself with the SPEED-E service of NSDL facilitating the direct & hassle-free processing of Delivery instruction slips.

Currently, DP Division caters to 25 clearing Members Pool Account and maintains 38 Promoters Accounts. The number of demat accounts opened in India has exponentially grown during the last couple of years due to rising number of retail participants in the equity market. The company has positioned itself to attract the customers for new demat account with its established business model and cost-effective rate structure.

Cost-effectiveness and digitalization are the key factors driving the competition in the market. The company has re-arranged its tariff structures to meet the goal of cost-effective and efficient service delivery to the clients and tackle the competition in the industry through competitive & attractive rate structure. The Company has provided the facility to the clients to view their holding, transaction and ledger balances and also open an account with the company through its website.

OVERVIEW

The future outlook for the economy of country seems to be positive on the back of more policy and macro-economic reforms due to stable government with growth & development on top of the agenda. The market sentiment seems to be positive and the markets are expected to respond well to the reforms introduced by the government.

The policy measures introduced by the government to curb the financial frauds and

safeguard investors from the market misconduct are expected to accelerate the retail participation in the coming years. The company with its proposal of lowest brokerage is expected to gain a good share from the new account openings. FY20 will be a crucial year for the company with the prospective of better financial performance.

DIVIDEND

The Board has not recommended any dividend for the year ended 31st March, 2019.

TRANSFER TO RESERVE

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

SHARE CAPITAL

The paid-up Capital of the Company as on 31st March, 2019 is Rs. 13,33,25,000/- divided into Rs. 12,50,45,000/- Equity Shares and Rs. 82,80,000/- Preference Shares. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

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

As on 31st March, 2019, 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. The statement containing the salient features of the financial statement of a company's subsidiaries under the first proviso to sub-section (3) of section 129 is set out as **Annexure A** in Form AOC-1.

There is neither new incorporation nor 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

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there is no unclaimed dividend.

MATERIAL CHANGES AND COMMITMENTS

Other than stated elsewhere in this report, there are no material changes and

Action Financial Services (India) Limited

commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

CONSOLIDATED FINANCIAL STATEMENTS:

The 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 SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, 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, 2019.

DEPOSITORY SYSTEM

As the Members are aware, the Company's shares 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. As on 31st March 2019, 97.64% of the company's total paid-up capital representing 12,504,500 Shares is in dematerialized form.

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2019. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are requested to avail the facility of dematerialisation of the Company's shares from either of the aforesaid depositories.

FINANCE

The Company has availed credit facilities from Bank of India during the year under review.

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, from time to time, during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Ketan Mehta (DIN: 02903954), Independent Director, has resigned as a director w.e.f. 08th August, 2018. Mr. Harbhajan Singh Dhillon (DIN: 05322003) has ceased to be an Independent director of the company, on expiry of the 1st term of his

appointment, as on 31st March, 2019 and the Company has re-appointed him as an Independent director at the Board meeting held on 27th May, 2019 subject to the approval of member by way of special resolution. Mr. Raja Gupta (DIN: 07034154) was appointed as an Independent Director w.e.f. 10th August, 2018.

Mr. Jayantilal Suthar (Mem. No.: FCS-8779) resigned as the Company Secretary w.e.f. 1st January, 2019. Mr. Siddheshwar Thorat (Mem. No.: ACS-57378) was appointed as the Company Secretary w.e.f. 31st January, 2019.

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

BOARD INDEPENDENCE

In terms of Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015 and based on the confirmation/disclosures received from the Independent Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 25 of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013:-

- a) Mr. Raja Gupta
- b) Mr. Harbhajan Singh Dhillon
- c) Mrs. Parul Doshi

The terms and conditions of appointment of the Independent Directors are in compliance with the provisions of the Companies Act, 2013 and are placed on the website of the Company at <https://www.actionfin.com/download.aspx>.

ANNUAL EVALUATION BY THE BOARD

The evaluation of all the directors, committees, Chairman of the Board and the Board as a whole was conducted based on the criteria and framework adopted 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.

Action Financial Services (India) Limited

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.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors' confirm 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) they 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) they 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) they had prepared the annual accounts on a going concern basis; and
- (e) they 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) they 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 MEETINGS 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 7 days 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 7 (Seven) times in the financial year 2018-2019 and the maximum

interval between any two meetings did not exceed 120 days as follows;

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
28.05.2018	10.08.2018	13.11.2018	01.01.2019
—	—	—	31.01.2019
—	—	—	13.02.2019
—	—	—	25.03.2019

Further, in terms of Schedule IV of the Companies Act, 2013, the Separate meeting of the Independent Directors was held on 13th February, 2019 and all Independent Directors were present.

COMMITTEES OF THE BOARD

The Board of Directors constituted 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 Regulation 18 of the SEBI (LODR) Regulations, 2015 and in terms of Section 177 of the Companies Act, 2013.

REMUNERATION POLICY

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board of Directors at the Board meeting, subject to the subsequent approval of the members at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

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Remuneration to Non Executive Directors:

The Non Executive Directors are paid remuneration by way of Sitting Fees for each meeting of the Board and Committee of Directors attended by them.

CORPORATE GOVERNANCE

The Corporate Governance is about maximizing members' value legally, ethically and sustainably. 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 form part of this Annual Report.

CEO & CFO CERTIFICATION

The Certificate from Mr. Milan Parekh, Managing Director & CEO and Mr. Bakul Parekh, Jt. Managing Director & Chief Financial Officer, pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015, for the year under review was placed before the Board of Directors of the Company at its meeting held on 27th May, 2019.

A copy of the certificate on the financial statements for the financial year ended 31st March, 2019 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 Regulation 34(2)(e) of the SEBI (LODR) Regulations, 2015, is annexed to this report.

AUDITORS

M/s Ambavat Jain & Associates LLP (Firm Registration No. 109681W), Chartered Accountants, Mumbai, were appointed as Statutory Auditors for a period of 5 consecutive years in the Annual General Meeting held on 29th September, 2017. M/s. Ambavat Jain & Associates LLP (Firm Registration No. 109681W), Chartered Accountants, Mumbai, resigned as the statutory auditors of the company w.e.f. 28th January, 2019.

M/s. Jain Chowdhary & Co. (FRN: 113267W), Chartered Accountants, Mumbai were appointed as the Statutory auditors of the company w.e.f. 31st January, 2019 to fill the casual vacancy caused by the resignation of M/s Ambavat Jain & Associates LLP and the same was approved by the members of the company in the Extra-ordinary General Meeting held on 26th April, 2019.

The Audit Committee and Board of Directors of the Company at their meeting held on 27th May, 2019 has recommended the appointment M/s. Jain Chowdhary & Co. (FRN: 113267W), as the Statutory Auditors of the Company for the period of four (4) years pursuant to Section 139 of the Companies Act, 2013. Accordingly, the Board seeks approval of Members of the company for the appointment of Statutory Auditors as mentioned in the notice of the Annual General Meeting.

The Company has received letter from M/s. Jain Chowdhary & Co. 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 for the year ended 31st March, 2019 which requires any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the statutory auditors and secretarial auditor have not reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable to the business activities carried out by the company.

SECRETARIAL AUDIT REPORT

The Board of Directors of the Company has appointed M/s. Jagdish Patel & Co., Company Secretaries to conduct the Secretarial Audit and their Report on Company's Secretarial Audit is annexed to Director's Report as **Annexure B**.

SECRETARIAL STANDARDS

The company continues to comply with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

DECLARATION BY INDEPENDENT DIRECTOR

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from all the Independent Directors confirming that he/she is not disqualified from appointing/continuing as Independent Director.

INSURANCE

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

PARTICULARS OF REMUNERATION

The ratio of remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in the **Annexure C** to the Directors' Report.

The list of top 10 employees of the Company in terms of remuneration drawn specified in Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to Director's report as **Annexure D**.

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 annexed to the Director's Report in Form MGT-9 as **Annexure E**. and the same shall also be available on the website of company at <https://www.actionfin.com/investor-relation.aspx?pagename=factsheet>.

PARTICULAR OF LOANS, GUARANTEES & INVESTMENTS

Loans, guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 forms part of the Notes to the Financial Statements.

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 and all such other transactions are

disclosed in the notes to Financial Statements of the company in the format prescribed in the relevant accounting standards. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 is given in Form AOC-2 and the same is annexed to the Director's Report as **Annexure F**.

RISK MANAGEMENT POLICY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives & functions. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

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 at <https://www.actionfin.com/download.aspx>.

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 under 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

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The Board is responsible for implementation of the Code.

All the directors and the designated employees have confirmed compliance with the Code under Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business within the meaning of Sections 134 (3) of the Companies Act, 2013 and sub rule 8(5) of the Companies (Accounts) Rules, 2014. The nature of the business of the Company continues to remain the same as previous year.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 are not applicable to the Company.

VIGIL MECHANISM

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE AUTHORITIES

During the year under review, there were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013

The Company has in place a Policy on Prevention of Sexual Harassment of Women Employees in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, no complaint of sexual harassment was received by the ICC.

ACKNOWLEDGEMENT

Your Directors would take this opportunity to express its deep appreciation for the co-operation and assistance received from the members, 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 of Directors

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

Place: Mumbai
Date: 27thMay, 2019

Action Financial Services (India) Limited

Annexure A

Form AOC-1

Statement Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr. No.	Particulars	Details	Details
1	Name of the subsidiary	Action Securities Limited	Action Commodities Limited
2	The Date since when subsidiary was acquired	13/11/2007	07/08/2009
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2018 to 31st March 2019	1st April 2018 to 31st March 2019
4	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)
5	Share capital	5,00,000	10,00,000
6	Reserves & Surplus	(333,732)	7,269,866
7	Total assets	203,854	8,277,441
8	Total Liabilities	203,854	8,277,441
9	Investments	120,748	6,914,543
10	Turnover	1,625	275,218
11	Profit before taxation	(23,914)	242,957
12	Provision for taxation <ul style="list-style-type: none">• Current Tax MAT• Earlier Tax• Deferred Tax	 0 0 10,870	 0 0 306,166
13	Profit after taxation	(13,044)	549,123
14	Proposed Dividend	-	-
15	% of shareholding	100	100

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part “B”: Associates and Joint Ventures

No Associates/ Joint Ventures existed during the year and there are no Associates and Joint Ventures which are yet to commence operations or which have been liquidated or sold during the year.

For and on behalf of the Board

Date: 27th May, 2019

Place: Mumbai

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

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

**SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED 31st MARCH, 2019**

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 - 400001.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ACTION FINANCIAL SERVICES (INDIA) LTD (L65944MH1992PLC068879)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Company's** Minute Books, Forms and Returns filed with the Registrar of Companies and other records maintained by the company and also the information and explanation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Financial year ended **31st March, 2019** 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:

We have examined the Minute Books, Forms, applicable Statutory Registers and Returns filed and other records maintained by the Company as given in **Annexure I**, for the period ended on as stated above 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 thereunder 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').

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable to the Company during the Audit Period.**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not applicable to the Company during the Audit Period.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company during the Audit Period.**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable to the Company during the Audit Period.**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit Period and**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the Audit Period.**
 - (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (vi) We 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. **Annexure II.**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India

Action Financial Services (India) Limited

- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Stock Exchange(s).

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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.

Adequate notice/s is/are given to all the 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.

All decisions at Board Meetings and Committee Meeting are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that during the F.Y. 2018-19, a separate meeting of Independent Directors was held, as per the provisions of Section 149(7) read with rule VII of Schedule IV of the Companies Act, 2013, however the meeting being confidential the minutes of the same were not placed before us for the audit.

We 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. We do not report on Banking and Financial Transactions, defaults in repayment of any loan/ debts or deposits/ interest thereon, if any as the same is either carried out by the Statutory Auditors/ Internal Auditors and other designated professional/s.

FOR JAGDISH PATEL & CO.

Unique Code No.: P1991GJ052300

Company Secretaries,

Partner

Place: Mumbai

Date : 27th May, 2019

This Report to be read with our 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 – 400001.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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. Our 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.

FOR JAGDISH PATEL & CO.

Unique Code No: P1991GJ052300
Company Secretaries,

Partner
Place: Mumbai
Date: 27th May, 2019

Annexure – I

List of documents Verified

- 1 Memorandum & Articles of Association of the Company.
- 2 Annual Report for the Financial year ended 31st March, 2018.
- 3 Minutes of the meetings of the Board of Directors, Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee along with Attendance Register held during the financial year under report.
- 4 Minutes of General Body Meeting held during the financial year under report.
- 5 Statutory Registers.
- 6 Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings
- 7 Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
- 8 e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report
- 9 Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines and for Overseas Direct Investments made by the Company.
- 10 Applicability of provisions of Section 188 of Companies Act, 2013 related to Related Party Transactions.
- 11 Compliance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annexure -II

- **Registered office:**
Action Financial Services (India) Ltd,
46 & 47, 6th Floor, Rajgir Chambers,
12/14, Shahid Bhagat Singh Road,
Opp. Old Custom House,
Fort Mumbai – 400001.
- **List of applicable laws to the Company and Audit Conducted by us for following laws**
1. The Payment of Bonus Act, 1965
 2. The Minimum Wages Act, 1948
 3. The Payment of Gratuity Act, 1972
 4. The Contract Labour (Regulation and Abolition) Act, 1970
 5. The Maternity Benefit Act, 1961
 6. The Industrial Employment (Standing Orders) Act, 1946
 7. Equal Remuneration Act, 1976
 8. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956
 9. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952
 10. Land Revenue Laws of respective States;
 11. Employees State Insurance Act, 1948
 12. Bombay Shop & Establishments Act, 1948
 13. The Income tax Act, 1961 and Service Tax

ANNEXURE C**Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

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

Name of directors & Key Managerial Personnel	Ratio to median remuneration	% increase in remuneration in the financial year
Executive Directors		
Mr. Milan Parekh	11.86	Nil
Mr. Bakul Parekh	11.86	Nil
Non-executive Directors		
Mr. Ketan Mehta*	Nil	Nil
Mr. Raja Gupta**	Nil	Nil
Mr. Harbhajan Singh Dhillon	Nil	Nil
Mrs. Parul Doshi	Nil	Nil
Chief Financial Officer		
Mr. Bakul Parekh	-	Nil
Company Secretary		
Mr. Siddheshwar Thorat***	-	Nil
Mr. Jayantilal Suthar****	-	Nil

* Resigned as Independent director w.e.f. 08th August, 2018.

** Appointed as Independent director w.e.f. 10th August, 2018.

*** Appointed as Company Secretary w.e.f. 31st January, 2019.

**** Resigned as Company Secretary w.e.f. 1st January, 2019.

- (iii) The percentage increase in the median remuneration of employees in the financial year 2018-19 is 1.15 %.

- (iv) The number of permanent employees on the rolls of company is 22.

- (v) **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.

- (vi) **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.

- (vii) The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. There were no employees during the year, who were employed throughout the year and were in receipt of remuneration aggregating Rs. 102 lakhs or more or were employed for part of the year and were in receipt of remuneration aggregating Rs. 8.5 lakhs per month or more during the financial year ended 31st March, 2019. No employees during the year were posted and working in a country outside India.

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 Regulation 17(5) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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, 2019.

For and on Behalf of the Board

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

Place: Mumbai
Date: 27th May, 2019

ANNEXURE D

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

List of TOP 10 Employees

	1	2	3	4	5	6	7	8	9	10
Name of the Employee	Milan R Parekh	Bakul R Parekh	Preeti Shah	Sushil Jaiswal	Sunil Sachade	Vaishali Karia	Sanjay Gupta	Vimla Shettigar	Suresh Kumar Pandey	Prakash Joshi
Designation	Chairman & Managing Director	Jt. Managing Director & CFO	Vice President – DP & KYC	Vice President – IT	Vice President – Accounts & Finance	Vice President – Broking Back Office	RMS Executive	General Manager Accounts	Senior Manager Accounts	Broking Compliance Officer
Remuneration received in FY 2018-19 (Rs.)	2,100,000	2,100,000	9,90,000	630,000	552,000	552,000	372,000	324,000	312,000	300,000
Nature of Employment	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Qualifications and experience	B.Com	B.Com	M.Com	B.Com & Diploma in Software & Networking Engineer.	Master's Degree in Financial Management	B.Com	B.Com	B.Com	B.Com	B.Com
Date of Commencement of employment	01/10/1992	01/10/1992	01/04/1994	01/08/2013	12/07/1993	01/08/2013	05/11/2012	01/06/2009	01/09/2014	01/08/2013
Age	59	57	51	48	45	46	37	41	51	48
Last employment	Partner in M/s Milan R Parekh	Partner in M/s Milan R Parekh	M/s Milan R Parekh	NA	NA	NA	Bonanza Portfolio Ltd.	NA	VL Cables Ltd	Kedia Securities Pvt Ltd
% of equity shares	21.42%	16.31%	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
whether any such employee is a relative of any director or manager of the company	Yes	Yes	No	No	No	No	No	No	No	No

For and on Behalf of the Board
Milan R. Parekh
Chairman & Managing Director
(DIN: 001083368)
Place: Mumbai
Date: 27th May, 2019

ANNEXURE E**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31st March, 2019****[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	01st October, 1992
3.	Name of the Company	ACTION FINANCIAL SERVICES (INDIA) LTD
4.	Category/Sub-category of the Company	Public Company/ Company Limited By Shares
5.	Address of the Registered office & contact details	46 & 47, 6th FLOOR, RAJGIR CHAMBERS, 12/14, SHAHID BHAGAT SINGH ROAD, OPP.OLD CUSTOM HOUSE, FORT, MUMBAI, Mumbai City MH 400001 IN
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: 022 49186000, Fax No: 022 49186060 E-mail : rnt.helpdesk@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)

Sr. 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	21.57
2.	Processing and clearing services of securities transactions	99715230	6.31
3.	Trading of securities	64990 & 69993	60.18

Action Financial Services (India) Limited

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associates	%Of Shares Held	Applicable Section
1.	Action Securities Limited 46 & 47, RAJGIR CHAMBERS, 12/14, SHAHID BHAGAT SINGH ROAD, FORT MUMBAI Mumbai City MH 400001 IN	U67120MH 2007PLC 175874	Subsidiary	100	2(87)(ii)
2.	Action Commodities Limited 46 & 47, RAJGIR CHAMBERS, 12/14, SHAHID BHAGAT SINGH ROAD, FORT, MUMBAI Mumbai City MH 400001 IN	U65999MH 2009PLC 194732	Subsidiary	100	2(87)(ii)

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

(A) 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	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 corporate	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) FPIs/FIIs	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 Corporate									
i) Indian	1909704	7100	1916804	15.33	1934017	7100	1941117	15.52	0.19
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	649642	195675	845317	6.76	683196	192975	876171	7.01	0.25
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	3748022	0	3748022	29.97	3691357	0	3691357	29.52	-0.45
c) Others (specify)									
i) Non Resident Indians (Repat)	225487	93100	318587	2.55	225487	93100	318587	2.55	0.00
ii) Non Resident Indians (Non Repat)	5176	0	5176	0.04	5176	0	5176	0.04	0.00
iii) Hindu Undivided Family(HUF)	170345	0	170345	1.36	171444	0	171444	1.37	0.01
iv) Clearing Member	736204	0	736204	5.89	736603	0	736603	5.89	0.00
Sub-total(B)(2):-	7444580	295875	7740455	61.90	7447280	293175	7740455	61.90	0.00
Total Public Shareholding (B)=(B) (1)+(B) (2)	7444580	298375	7742955	61.92	7447280	295675	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)	12206125	298375	12504500	100	12208825	295675	12504500	100.00	0

Action Financial Services (India) Limited

(B) Shareholding of Promoters

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	2679056	21.42	0	2679056	21.42	0	0
2.	Bakul Ramniklal Parekh	2038889	16.31	0	2038889	16.31	0	0
3.	Nayana Milan Parekh	43600	0.35	0	43600	0.35	0	0
	Total	4761545	38.08	0	4761545	38.08	0	0

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

Sr. No.		Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the year	
	Name	No. of Shares at the beginning	% of total shares of the Company	Date	Increase/ Decrease in share-holding	Reason	No. of Shares	% of total shares of the Company
1	MILAN R PAREKH	2679056	21.42	No Change			2679056	21.42
	AT THE END OF THE YEAR						2679056	21.42
2	BAKUL R PAREKH	2038889	16.31	No Change			2038889	16.31
	AT THE END OF THE YEAR						2038889	16.31
3	NAYANA MILAN PAREKH	43600	0.35	No Change			43600	0.35
	AT THE END OF THE YEAR						43600	0.35

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

Sr. No.	Name	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the year	
		No. of Shares at the beginning	% of total shares of the Company	Date	Increase/ Decrease in share-holding	Reason	No. of Shares	% of total shares of the Company
1	SAVI PORTFOLIO MANAGEMENT SERVICES LIMITED	1300000	10.3963	No Change			1300000	10.3963
	AT THE END OF THE YEAR						1300000	10.3963
2	BMA WEALTH CREATORS LTD	730025	5.8381	No Change			730025	5.8381
	AT THE END OF THE YEAR						730025	5.8381
3	PINKY JAJODIA	449900	3.5979	No Change			449900	3.5979
	AT THE END OF THE YEAR						449900	3.5979
4	ARCHANA MITTAL	398596	3.1876	No Change			398596	3.1876
	AT THE END OF THE YEAR						398596	3.1876
5	NILESH MAHENDRA POPAT	355449	2.8426	-	-	-	355449	2.8426
				08 Mar 2019	(500)	Sell	354949	2.8386
				15 Mar 2019	(500)	Sell	354449	2.8346
				22 Mar 2019	(1000)	Sell	353449	2.8266
	AT THE END OF THE YEAR						353449	2.8266
6	DARSHIT NITIN GORADIA	304516	2.4353	-	-	-	304516	2.4353
				11 May 2018	10000	Buy	314516	2.5152
	AT THE END OF THE YEAR						314516	2.5152
7	MANOJ HASMUKHLAL VED	197400	1.5786	No Change			197400	1.5786
	AT THE END OF THE YEAR						197400	1.5786
8	KETUL ENTERPRISES PVT	128157	1.0249	-	-	-	128157	1.0249
				11 May 2018	7000	Buy	135157	1.0809
				18 May 2018	8000	Buy	143157	1.1448
				15 Feb 2019	1758	Buy	144915	1.1589
				22 Feb 2019	1000	Buy	145915	1.1669
				01 Mar 2019	3303	Buy	149218	1.1933
				08 Mar 2019	2000	Buy	151218	1.2093

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				15 Mar	1053	Buy	152271	1.2177
				2019				
				22 Mar	599	Buy	152870	1.2225
				2019				
				29 Mar 2019	1099	Buy	153969	1.2313
	AT THE END OF THE YEAR						153969	1.2313
9	DHIRAJ LAKHAMSHI SHAH	151702	1.2132	No Change			151702	1.2132
	AT THE END OF THE YEAR						151702	1.2132
10	SONAL KALPESH KORADIA VASUMATI RAJKUMAR KORADIA	145043	1.1599	No Change			145043	1.1599
	AT THE END OF THE YEAR						145043	1.1599
11	VIPUL BHAGWANDAS SHAH	132100	1.0564	-	-	-	132100	1.0564
				06 Apr	20000	Buy	152100	1.2164
				2018				
				13 Apr	(11000)	Sell	141100	1.1284
				2018				
				20 Apr	(6000)	Sell	135100	1.0804
				2018				
				11 May	10000	Buy	145100	1.1604
				2018				
				15 Jun	(2000)	Sell	143100	1.1444
				2018				
				22 Jun	(5000)	Sell	138100	1.1044
				2018				
				06 Jul	10000	Buy	148100	1.1844
				2018				
				27 Jul	(10000)	Sell	138100	1.1044
				2018				
				03 Aug	(2500)	Sell	135600	1.0844
				2018				
				10 Aug 2018	(1500)	Sell	134100	1.0724
	AT THE END OF THE YEAR						134100	1.0724

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the year	
	Name	No. of Shares at the beginning	% of total shares of the Company	Date	Increase/ Decrease in share-holding	Reason	No. of Shares	% of total shares of the Company
DIRECTORS								
1	MILAN R PAREKH	2679056	21.42	No Change			2679056	21.42
	AT THE END OF THE YEAR						2679056	21.42
2	BAKUL R PAREKH	2038889	16.31	No Change			2038889	16.31
	AT THE END OF THE YEAR						2038889	16.31
3	RAJA GUPTA ¹	0	0	No Change			0	0
	AT THE END OF THE YEAR						0	0
4	HARBHAJAN SINGH DHILLON	0	0	No Change			0	0
	AT THE END OF THE YEAR						0	0
5	PARUL DOSHI	0	0	No Change			0	0
	AT THE END OF THE YEAR						0	0
6	KETAN MEHTA ²	9232	0.07	No Change			9232	0.07
	AT THE END OF THE YEAR						9232	0.07
KEY MANAGERIAL PERSONNEL								
7	SIDDHESHWAR THORAT ³	0	0	No Change			0	0
	AT THE END OF THE YEAR						0	0
8	JAYANTILAL SUTHAR ⁴	0	0	No Change			0	0
	AT THE END OF THE YEAR						0	0

1. Appointed as Independent Director w.e.f. 10th August, 2018.
2. Resigned as Independent Director w.e.f. 08th August, 2018.
3. Appointed as Company Secretary w.e.f. 31st January, 2019.
4. Resigned as Company Secretary w.e.f. 1st January, 2019.

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	43,265,397	-	-	43,265,397
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	43,265,397	-	-	43,265,397
Change in Indebtedness during the financial year				
Addition	3,458,319	-	-	3,458,319
Reduction	-	-	-	-
Net Change	3,458,319	-	-	3,458,319
Indebtedness at the end of the financial year				
i) Principal Amount	46,723,716	-	-	46,723,716
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	46,723,716	-	-	46,723,716

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	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others-Leave Encashment	-	-	-
	Total (A)	2,100,000	2,100,000	4,200,000
	Ceiling as per the Act			

B. Remuneration to other directors**Independent Directors & Other Non-Executive Directors**

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Milan Parekh	Mr. Bakul Parekh	Mr. Raja Gupta **	Mr. Harbhajan Singh Dhillon	Mrs. Parul Doshi	Mr. Ketan Mehta*	
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	-	-	5000	7000	6000	2000	20000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	5000	7000	6000	2000	20000
	Total (B)=(1+2)	-	-	5000	7000	6000	2000	20000

* Ceased to be Independent director w.e.f. 08th August, 2018. The remuneration drawn by him upto 08th August, 2018 is disclosed above.

** Appointed as Independent director w.e.f. 10th August, 2018.

Action Financial Services (India) Limited

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CS		CFO	Total
	Name of the Key Managerial Personnel other than MD/Manager/WTD		Mr. Jayantilal Suthar*	Mr. Siddheshwar Thorat**	Mr. Bakul Parekh	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,59,000	90,000	-	5,49,000
	(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		4,59,000	90,000	-	5,49,000

* Ceased to be CS w.e.f. 1st January, 2019. The remuneration drawn by him upto 1st January, 2019 is disclosed above.

** Appointed as CS w.e.f. 31st January, 2019.

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					

For and on Behalf of the Board

Place: Mumbai
Date: 27th May, 2019

Milan R. Parekh
Chairman & Managing Director
(DIN00108368)

ANNEXURE F**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contract/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into with related parties during the year ended March 31, 2019, which were not at arm's length basis.

Name (s) of the related party & nature of relationship	Nature of contracts /arrangements /transaction	Duration of the Contracts /arrangements /transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
NA	NA	NA	NA	NA	NA	NA	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.: NIL

Name (s) of the related party	Nature of relationship	Nature Of contracts /arrangements /transactions	Duration Of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transaction including the value, if any (Amt in Rs.)	Date of approval by the Board, if any	Amount paid as advances, if any
(a)		(b)	(c)	(d)	(e)	(f)
NA	NA	NA	NA	NA	NA	NA

Place: Mumbai
Date: 27th May, 2019

For and on Behalf of the Board

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

A. MANAGEMENT DISCUSSION AND ANALYSIS :

OVERVIEW OF ECONOMY

The global economy grew at 3.6% in FY 2019 and the growth rate is likely to slip further to 3.3% in FY20 as per IMF. The factors that contributed to the global slowdown are Brexit, imposition of tariffs leading to trade tensions and geopolitical tensions. The Indian economy has grown nearly 7% in FY 2019 and has witnessed a slippage in growth rate mainly on the back of slowdown in primary sector. Yet, the Indian economy has continued to be one of the most vibrant and fastest growing economies of the world. The long-term growth perspective of the Indian economy is positive due to its young population, skilled workforce, policy reforms by the government and increasing integration into the global economy. India has made remarkable improvements in ease of doing business and is placed at 77th rank in among 190 countries assessed by the World Bank recording a jump of 23 positions against its rank of 100 in 2017. FY19 marked the completion of the 5 years' term of the government and the country has re-elected the existing government for the next five years in recently concluded general elections which indicates the continuation of economic and regulatory reforms.

INDUSTRY STRUCTURE & DEVELOPMENTS:

The capital market sector in India witnessed a decent growth in FY19 and provided average to good returns to the investors. The market remained volatile mainly due to events like rising NPAs and loan defaults, liquidity crisis in NBFC sector, slippages in corporate earnings, cross-border tensions and political uncertainty. The expansion of primary market, increased transparency, enhancement in overall governance standards of the various players in the market, financial inclusiveness measures and increased financialization are expected to increase the retail participation in markets in FY20.

The average daily traded volumes (ADTO) for the equity markets during FY2019 stood at R 9.93 lakh crores, up 46% YoY from R 6.79 lakh crores in FY2018. The overall Cash market ADTO reported growth of 7% YoY at R 35,180 crores in FY2019. However, the absolute growth was affected due to decrease in delivery, which saw de-growth of 8.2% YoY to R 8,854 crores v/s 26% growth in FY2018. Within derivatives, futures volume rose 9.7% YoY to R 87,564 crores while options rose 54% YoY to R 8.70 lakh crores. Amongst cash market participants, retail constitutes 53% of total cash volume, institution constitutes 25% of total cash volume and prop constitutes 20%. Within institution, DII cash volumes increased 6% YoY to R 3,627 crores vs 51% in the previous year, reflecting the lull market sentiments during the year. The proportion of DII in the cash market remained constant at 10.4%. The increase in demat accounts during the year stood at 12% with total number of accounts as on March 2019 at R 3.59 crores. The revival in market sentiments along with clearer picture on political front is expected to give push to the primary market activities and overall volumes.

The markets witnessed various new measures in FY19 such as the introduction of weekly Futures & Options Contracts, entry of new players in the commodity derivatives markets, extended trading hours for commodity derivatives and Securities Lending and Borrowing Segment, enhanced risk management framework, additional risk management framework for derivatives segment, physical settlement of stock derivatives, Interoperability among Clearing Corporations and enhanced disclosure & reporting norms. Introduction of various new reforms is expected to be continued also in FY20 and the industry will witness the transformation in its business operations.

As per CRISIL Research Estimate, the Indian equity broking industry revenues are projected to increase at 15-20% CAGR in the next five years. The crucial factors which will impact the growth of Indian broking Industry are cost-competitiveness, digitalisation and robust distribution model among others. The entry of discount brokers has lead to increased competition and they have dominated the market share and volume. However, the traditional brokerage firms have maintained their growth on the back of established business model and adoption of competitive rate structures to maintain their client base.

OPPORTUNITIES AND THREATS:

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 years from financial and capital markets.

SEGMENT 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. Therefore, segment reporting is not applicable to the company.

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

Action Financial Services (India) Limited

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.

RATIO ANALYSIS:

Key Financial Ratios:

Particulars	Standalone		Consolidated	
	2019	2018	2019	2018
Return on Net-worth (%)	1.51	(5.79)	1.94	-6.42
Return on capital employed (%)	1.42	(4.65)	1.59	-5.37
Debtors turnover	Not applicable			
Inventory turnover	Not applicable			
Interest coverage ratio	122.12	34.84	124.86	24.92
Current ratio	271.15	236.00	272.61	236.72
Debt Equity ratio	45.38	55.69	45.48	55.93
Operating profit margin (%)	24.24	9.00	24.24	9.00
Net profit margin (%)	4.67	(20.95)	4.67	(20.95)

Detailed explanation of ratios:**(i) Return on Net-Worth**

Return on Net-Worth (RONW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income for the year by average capital employed during the year. There has been a significant change of more than 25% in Return on Net-worth mainly because of loss in the previous Financial year i.e. FY18 due to writing-off of debtors and profit in the current Financial year i.e. FY19.

(ii) Return on Capital Employed

Return on Capital Employed (ROCE) is a financial ratio that measures a Company's profitability and the efficiency with which its capital is used. In other words, the ratio measures how well a Company is generating profits from its capital. It is calculated by dividing profit before exceptional items and tax by average capital employed during the year. There has been a significant change of more than 25% in Return on capital employed mainly because of loss in the previous Financial year i.e. FY18 due to writing-off of debtors and profit in the current Financial year i.e. FY19.

(iii) Debtors Turnover

The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivables.

(iv) Inventory Turnover

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing turnover by average inventory.

(v) Interest Coverage Ratio The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing PBIT by finance cost. There has been a significant change of more than 25% in Interest coverage ratio mainly because of loss in the previous Financial year i.e. FY18 due to writing-off of debtors and profit in the current Financial year i.e. FY19.

(vi) Current Ratio

The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

(vii) Debt Equity Ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total liabilities by its shareholder's equity.

(viii) Operating Profit Margin

Operating Profit Margin is profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the EBIT by turnover. There has been a significant change of more than 25% in Operating Profit margin mainly because of loss in the previous Financial year i.e. FY18 due to writing-off of debtors and profit in the current Financial year i.e. FY19.

(ix) Net Profit Margin

The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by turnover. There has been a significant change of more than 25% in mainly because of loss in the previous Financial year i.e. FY18 due to writing-off of debtors and profit in the current Financial year i.e. FY19.

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.

B. REPORT ON CORPORATE GOVERNANCE

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 and Promoter Directors and three (3) are Non-Executive & Independent Directors out of which One (1) is Woman Director. The Chairman of the Company is Executive and Promoter Director. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") read with Section 149 of the Companies Act, 2013 ("the Act").

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI LODR Regulations read with Section 149(6) of the Act.

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 #	Number of board meetings during the year 2018-19			Whether attended last AGM	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		No. of Equity Shares held
		Held	Eligible to attend	Attended		Chairman	Member	Chairman	Member	
Mr. Milan R. Parekh	Chairman -M.D.	7	7	7	Yes	2	-	-	-	2679056
Mr. Bakul R. Parekh	Jt. M.D.	7	7	7	Yes	-	2	-	-	2038889
Mr. Ketan Mehta ¹	I & N.E.D	7	1	1	No	-	-	-	-	9232
Mr. Harbhajan Singh Dhillon	I & N.E.D	7	7	7	Yes	-	-	-	-	-
Mrs. Parul Doshi	I & N.E.D	7	7	5	No	-	-	-	-	-
Mr. Raja Gupta ²	I & N.E.D	7	6	4	Yes	-	-	-	-	-

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

Note:

1. Resigned as an Independent director of the company w.e.f. 08th August, 2018.

2. Appointed as an Independent director of the company w.e.f. 10th August, 2018.

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The names of the listed entities wherein the Director holds directorships as on 31st March 2019 are as follows:

Name of Director	Names of Listed entities where they hold Directorship	Category of Directorship
Mr. Milan R. Parekh	Action Financial Services (India) Limited	Executive Chairman & Managing Director
Mr. Bakul R. Parekh	Action Financial Services (India) Limited	Joint Managing Director
Mr. Harbhjan Singh Dhillon	Action Financial Services (India) Limited	Independent & Non-Executive Director
Mrs. Parul Doshi	Action Financial Services (India) Limited	Independent & Non-Executive Director
Mr. Raja Gupta	Action Financial Services (India) Limited	Independent & Non-Executive Director

• Meetings of the Board:

Seven (7) Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:

April 2018 to June 2018	July 2018 to Sept. 2018	Oct. 2018 to Dec. 2018	Jan. 2019 to March 2019
28.05.2018	10.08.2018	13.11.2018	01.01.2019
-	-	-	31.01.2019
-	-	-	13.02.2019
-	-	-	25.03.2019

• None of the Directors hold the office of director in more than the permissible number of companies under the Companies Act, 2013 or Regulation 17A of the SEBI LODR Regulations.

• Mr. Milan R. Parekh & Mr. Bakul R. Parekh are related to each other as brothers and also as partners in M/s. Milan R. Parekh.

• Details of shares and convertible instruments of the Company held by the non-executive directors as on March 31, 2019 are given below:

Name of non-executive director	Number of Shares	Number of Convertible instruments
Mr. Harbhjan Singh Dhillon	Nil	Nil
Mrs. Parul Doshi	Nil	Nil
Mr. Raja Gupta	Nil	Nil

- During the year 2018-19, information as mentioned in Schedule II Part A of the SEBI LODR Regulations, has been placed before the Board for its consideration.
- During the year, a meeting of the Independent Directors was held on February 13, 2019. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.
- The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- The Company has imparted familiarization programme to independent directors and details of the same are available on the website of the company at <https://www.actionfin.com/investor-relation.aspx?pagename=factsheet>
- The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Sr. No.	Skills/expertise/experience / competencies	Comments
1.	Leadership	Ability to lead the company with a vision and prescribe a strategic goal for the company and experience in leading an entity at the highest levels.
2.	Industry knowledge and experience	Knowledge and/or experience in businesses in which the company participates i.e. Stock broking, depository and other financial services.
3.	Governance & Regulatory Compliance	Ability to guide the company towards the highest levels of corporate governance practices and guide on regulatory compliances.
4.	Finance & Accounts	Ability to understand financial statements, policies and disclosure practices and contribute to financial management of the company.
5.	Risk Management	Ability to foresee various risks and threats across all the levels and functions of the company and contribute towards the avoidance, management and mitigation of risks.

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3. Audit Committee

The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015, read with Section 177 of the Act. 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		
			Held	Eligible to attend	Attended
Mr. Ketan Mehta ¹	Chairman	I & N.E.D.	5	1	1
Mr. Harbhjan Singh Dhillon	Member	I & N.E.D.	5	5	5
Mrs. Parul Doshi	Member	I & N.E.D.	5	5	4
Mr. Raja Gupta ²	Member	I & N.E.D.	5	3	2

1. *Ceased to be an Independent director of the company w.e.f. 08th August, 2018 and consequently as a member of Audit Committee.*
2. *Appointed as an Independent director of the company and as a member of Audit Committee w.e.f. 10th August, 2018.*

Mr. Siddheshwar Thorat, Company Secretary acts as a secretary to the Audit Committee meetings.

- Five (5) Audit Committee meeting were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:

April 2018 to June 2018	July 2018 to Sept. 2018	Oct. 2018 to Dec. 2018	Jan. 2019 to March 2019
28.05.2018	10.08.2018	13.11.2018	31.01.2019
-	-	-	13.02.2019

- **The role of the committee shall, inter-alia, include the following:**

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.

Review and monitor the auditors' independence and performance, and effectiveness of audit process;

Compliance with listing and other legal requirements relating to financial statements.

Disclosure of any related party transactions.

Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

Approval or any subsequent modification of transactions of the Company with related parties;

Scrutiny of inter-corporate loans and investments;

Valuation of undertakings or assets of the company, wherever it is necessary;

Evaluation of internal financial controls and risk management systems;

Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;

The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;

The audit committee shall review the information required as per SEBI LODR Regulations.

4. Nomination and remuneration committee

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of thereby (LODR) Regulations, 2015, read with Section 178 of the Act.

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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.

The composition of the Nomination and Remuneration Committee is given below;

Name	Designation	Category	Number of Meeting attended		
			Held	Eligible to attend	Attended
Mr. Harbhajan Singh Dhillon	Chairman	I & N.E.D.	3	3	3
Mr. Ketan Mehta ¹	Member	I & N.E.D.	3	0	0
Mrs. Parul Doshi	Member	I & N.E.D.	3	3	3
Mr. Milan Parekh	Member	M.D.	3	3	3
Mr. Raja Gupta ²	Member	I & N.E.D.	3	2	1

1. *Ceased to be an Independent director of the company w.e.f. 08th August, 2018 and consequently as a member of Nomination and Remuneration Committee.*
2. *Appointed as an Independent director of the company and as a member of Nomination and Remuneration Committee w.e.f. 10th August, 2018.*

Mr. Siddheshwar Thorat, Company Secretary acts as a secretary to the Nomination and remuneration committee meetings.

- The Company does not have any Employee Stock Option Scheme.
- Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

- Details of the Remuneration for the year ended March 31, 2019:

Name of Director	Category	Salary (Rs.)	Leave Encashment	Benefits Perquisites and Allowances (Rs)	Commission (Rs.)	Sitting Fees (Rs.)
Mr. Milan R. Parekh	Chairman & M.D.	21,00,000	NIL	NIL	NIL	NIL
Mr. Bakul R. Parekh	Jt. M.D.	21,00,000	NIL	NIL	NIL	NIL
Mr. Ketan Mehta ¹	I & N.E.D	NIL	NIL	NIL	NIL	2000
Mr. Harbhajan Singh Dhillon	I & N.E.D	NIL	NIL	NIL	NIL	7000
Mrs. Parul Doshi	I & N.E.D	NIL	NIL	NIL	NIL	6000
Mr. Raja Gupta ²	I & N.E.D	NIL	NIL	NIL	NIL	5000

1. Ceased to be an Independent director of the company w.e.f. 08th August, 2018.
2. Appointed as an Independent director of the company w.e.f. 10th August, 2018.

5. Stakeholders' Relationship Committee:

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with section 178 of the Companies Act, 2013. During the year four (4) meetings of the Stakeholders Relationship Committee were held. The attendance of each Member of the Committee is given below:

Name	Designation	Category	Number of Meeting attended		
			Held	Eligible to attend	Attended
Mr. Harbhajan Singh Dhillon	Chairman	I & N.E.D.	4	4	4
Mr. Ketan Mehta ¹	Member	I & N.E.D.	4	1	1
Mrs. Parul Doshi	Member	I & N.E.D.	4	4	3
Mr. Raja Gupta ²	Member	I & N.E.D.	4	2	1

1. Ceased to be an Independent director of the company w.e.f. 08th August, 2018 and consequently as a member of Stakeholders' relationship committee.
2. Appointed as an Independent director of the company and as a member of Stakeholders' relationship committee w.e.f. 10th August, 2018.

Mr. Siddheshwar Thorat, Company Secretary acts as a secretary to the stakeholders' relationship Committee meetings.

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The broad terms of reference of the stakeholders' relationship committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice /annual reports, etc. and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

Name, designation and address of Compliance Officer:

Siddheshwar Thorat
Company Secretary
Action Financial Services (India) Limited
46 & 47, 6th Floor, Rajgir Chambers, 12/14,
Shahid Bhagat Singh Road, Opp. Old Custom House,
Fort, Mumbai - 400 001

Telephone: (022) 4365 4444
Fax No.: (022) 4365 4446
E-mail: secretarial@actionfin.com
Investor Complaint Email ID: ig@actionfin.com

Details of investor complaints received and redressed during the year 2018- 19 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

6. Risk management committee:

The risk management committee of the Company is constituted in line with the provisions of Regulation 21 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

7. General Body Meetings:**i) General Meetings:****a) Annual General Meeting (AGM):**

The details of Annual General Meetings are below:

Financial year	Date and Time	Venue
2015-2016	29th September, 2016 at 11.00 a.m.	11-15, 2nd floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, opp. old Custom House, Fort, Mumbai-400001
2016-2017	29th September, 2017 at 11.00 a.m.	11-15, 2nd floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, opp. old Custom House, Fort, Mumbai-400001
2017-2018	28th September, 2018 at 11.00 a.m.	11-15, 2nd floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, opp. old Custom House, Fort, Mumbai-400001

b) Extra-Ordinary General Meeting (EGM):

No extraordinary general meeting of the members was held during FY 2018-19.

c) Special Resolution(s):

The Shareholders passed all the resolutions including the Special Resolutions set out in the respective Notices.

ii) Details of special resolution passed through postal ballot:

No item requiring for postal ballot under the statute was applicable at the aforesaid meetings.

iii) Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

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8. Means of Communication with Shareholders:

Financial Results	The quarterly and annual results of the Company are published in English and vernacular newspaper in accordance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
Newspapers in which results are normally published	1. The Free Press Journal (English) 2. Navshakti (Marathi)
Website :-	www.actionfin.com
E-mail ID:-	actionfin@gmail.com
Administrative Office :-	11-15, 2nd floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, opp. old Custom House, Fort Mumbai-400001
Telephone No:-	(022) 4365 4444
Fax No :-	(022) 4365 4446
Whether Management Discussions and Analysis report is a part of Annual report	Yes

9. General Shareholders' Information

Registered Office	:	46 & 47, 6th Floor, Rajgir Chambers, 12/14, Shahid Bhagat Singh Road, Opp. Old Custom House, Fort, Mumbai – 400001
Registrar & Share Transfer Agent (RTA) Name & Address	:	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083
Telephone No	:	+91 22 49186000
Fax No	:	+91 22 49186060
E-mail	:	rnt.helpdesk@linkintime.co.in
Website	:	www.linkintime.co.in
Annual General Meeting of the Company to be held on	:	Date : 27th September 2019 Time : 11.00 a.m. Venue : 11-15, 2nd floor, Rajgir Chambers, 12/14, Shahid Bhagat Singh Road, opp. old Custom House, Fort, Mumbai-400001
Financial Calendar (tentative)	:	Year Ending : March 31 AGM in : 27th September 2019.
Date of Book Closure/ Record date	:	As mentioned in the Notice of this AGM

Voting rights at the Meeting	:	As mentioned in the Notice of this AGM
Listing on Stock Exchanges	:	BSE Limited 25th Floor, P. J. Towers, Dalal Street, Mumbai - 400 001
Listing Fees	:	Listing fees for the aforesaid Stock Exchanges for the financial year 2019-2020 have been paid.
BSE Scrip ID	:	ACTIONFI
BSE Scrip Code	:	511706
ISIN NO.	:	INE-357A01032

MONTHWISE STOCK MARKET DATA (BSE) RELATING TO EQUITY SHARES OF THE COMPANY DURING EACH MONTH IN THE YEAR 2018-19

Month	High (Rs.) BSE	Low (Rs.) BSE	Average Share Price
Apr 18	9.10	8.44	8.77
May 18	8.50	7.96	8.23
Jun 18	8.33	8.00	8.17
Jul 18	8.32	8.00	8.16
Aug 18	8.00	7.84	7.92
Sep 18	7.69	7.54	7.62
Oct 18	7.54	7.25	7.40
Nov 18	7.25	7.25	7.25
Dec 18	7.25	7.25	7.25
Jan 19	7.25	7.25	7.25
Feb 19	8.00	7.38	7.69
Mar 19	8.75	7.84	8.30
Average Share Price per share up to March 2019			7.83

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019

Shareholding Of Shares		No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1	500	1568	80.3279	214870	1.7183
501	1000	130	6.6598	110848	0.8865
1001	2000	59	3.0225	91416	0.7311
2001	3000	44	2.2541	113380	0.9067
3001	4000	17	0.8709	61385	0.4909
4001	5000	22	1.1270	107259	0.8578
5001	10000	43	2.2029	337772	2.7012
10001	and above	69	3.5348	11467570	91.7075
TOTAL		1952	100.00	12504500	100.00
Physical mode		817	41.85	295675	2.36
Demat mode		1135	58.15	12208825	97.64
TOTAL		1952	100	12504500	100

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2019

Sr. No.	Category	No. of Folios	Total Shares held	% to the Share Capital
1.	Promoters	3	4761545	38.08
2.	Other Bodies Corporate	38	1941117	15.52
3.	Mutual Funds/ UTI	2	2500	0.02
4.	Clearing Member	7	736603	5.89
5.	Non Residents Indians (REPAT)	33	318587	2.55
6.	Non Resident Indians(Non REPAT)	6	5176	0.04
7.	Hindu Undivided Family(HUF)	40	171444	1.37
8.	Public	1820	4567528	36.53
9.	Foreign Company	0	0	0.00
10.	Foreign Institutional Investors	0	0	0.00
11.	Trust	0	0	0.00
12.	GIC & its subsidiaries	0	0	0.00
13.	Financial Institutions /Nationalised Banks	0	0	0.00
14.	Non Nationalised Banks	0	0	0.00
15.	Overseas Corporate Bodies	0	0	0.00
	Total	1949	12504500	100

**TOP TEN OF EQUITY SHAREHOLDERS OF THE COMPANY (Public)
AS ON MARCH 31, 2019**

Sr. No.	Name	Total Shares held	% to the Share Capital
1	Savi Portfolio Management Services Limited	1300000	10.40
2	BMA Wealth Creators Ltd	730025	5.84
3	Pinky Jajodia	449900	3.60
4	Archana Mittal	398596	3.19
5	Nilesh Mahendra Popat	353449	2.83
6	Darshit Nitin Goradia	314516	2.52
7	Manoj Hasmukhlal Ved Aparna Manoj Ved	197400	1.58
8	Ketul Enterprises Pvt Ltd	153969	1.23
9	Dhiraj Lakhamshi Shah	151702	1.21
10	Sonal Kalpesh Koradia Vasumati Rajkumar Koradia	145043	1.16

Details of Equity Shares Under lock-in period	:	NIL
Dematerialization of shares	:	As on March 31, 2019 a total of 12208825 equity shares constituting 97.64% of the equity share capital of the Company stands dematerialized and balance 295675 constituting 2.36% shares are in physical mode.
Business Location	:	11-15, 2nd floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, opp. old Custom House, Fort Mumbai-400001
Investors' correspondence to be addressed to Adm. Office:	:	Mr. Siddheshwar Thorat (Compliance Officer) Action Financial Services (India) Limited 11-15, 2nd floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, Opp. Old Custom House, Fort Mumbai-400001 Telephone: 022 - 43654444 Fax No.: 022 - 43654446 E-mail: secretarial@actionfin.com Investor Complaint Email ID:- ig@actionfin.com

10. Other Disclosures:

- **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. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link <https://www.actionfin.com/download.aspx>

- **Details of non-compliance:**

Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years are as follows:

The penalty was imposed on the company during 2016-17, 2017-18 and 2018-19 of Rs. 3,000/-, Rs. 15,000/- and Rs. 15,242/- respectively by the BSE and Rs. 7,700/- Rs. 45,000/- and Rs 7388/- respectively by the NSE.

- **Establishment of Vigil/Whistle Blower Mechanism:**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of the SEBI Listing Regulations and section 177 of the Companies Act, 2013, for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link <https://www.actionfin.com/download.aspx>

- **Exposure of the company to commodity and commodity risks faced by the company throughout the year:**

- a. Total exposure of the company to commodities in INR: NIL
- b. Exposure of the company to various commodities: NIL
- c. Commodity risks faced by the company during the year and how they have been managed: No commodity risks faced during the year.

- **Reconciliation of share capital audit:**

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and Central Depository Services Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL.

• Code of Conduct

The members of the Board and senior management personnel have affirmed the compliance with the Code of Conduct for Board of Directors and Senior Management during the year ended March 31, 2019. The annual report of the Company contains a certificate by the CEO and Managing Director in terms of the SEBI Listing Regulations on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

• 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 has formulated the policy for determining material subsidiaries which is available on the website of the company at <https://www.actionfin.com/download.aspx>.

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.

• Details of total fees paid to Auditors:

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

(In Rs.)

Particulars	2018-19	2017-18
Audit Fees	410,000	425,000
Other Services	15,000	15,000
Total	425,000	440,000

• Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The details of complaints filed, disposed and pending during the financial year pertaining to sexual harassment of women are as follows:

a. Number of complaints filed during the financial year	NIL
b. Number of complaints disposed of during the financial year	NIL
c. Number of complaints pending as on end of the financial year.	NIL

- **Compliance with corporate governance requirements:**

The company strives to follow the best levels of corporate governance standards and has complied with the applicable corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 compliances with the Code of conduct for the year ended 31st March, 2019.

BY AND ON BEHALF OF THE BOARD

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

Mumbai

Date: - 27th May, 2019

CEO & CFO CERTIFICATE

To
The Board of Directors
Action Financial Services (India) Limited

We, **Milan R. Parekh**, Managing Director (Chief Executive Officer) and **Bakul R. Parekh**, Jt. Managing Director & (Chief Financial Officer) of Action financial Services (India) Ltd. certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our 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) To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2019 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - (i) That there has not been any significant changes in internal control over financial reporting during the year;
 - (ii) That there has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) That we are not aware of any instances of significant fraud with the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-

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

Sd/-

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

Place : Mumbai

Date :- 27th May, 2019

CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of,
ACTION FINANCIAL SERVICES (INDIA) LIMITED**

We have examined the compliance of conditions of corporate governance by **Action Financial Services (India) Limited** ('the Company'), for the year ended 31st March, 2019, as prescribed in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 the SEBI Listing Regulations for the year ended 31st March, 2019.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**For Jain Chowdhary & Co.
Chartered Accountants
Firm's Registration No: 113267W**

**Siddharth Jain
Partner
Membership No: 104709**

Place: Mumbai
Date: 27th May, 2019

CERTIFICATE

(Pursuant to clause 10 of Part C of Schedule V of LODR)

In pursuance to sub-clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR) in respect of Action Financial Services (India) Limited (CIN:L65944MH1992PLC068879) I hereby certify that:

On the basis of the information disseminated by SEBI & Ministry of Corporate Affairs and declaration received from the directors and taken on record by the Board of Directors as on 31st March, 2019, none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

FOR JAGDISH PATEL & CO.

Unique Code No.: P1991GJ052300

Company Secretaries,

Ronak Kalathiya

ACS 37007 / CO No. 18350

Place: Mumbai

Date: 27th May, 2019

INDEPENDENT AUDITOR’S REPORT

To
The Members of
ACTION FINANCIAL SERVICES (INDIA) LTD

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the accompanying standalone financial statements of **Action Financial Services (India) Limited (“the Company”)**, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (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 March 31, 2019, and profit, and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with Standards on Auditing (SAs) specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

4. Responsibilities of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Standards and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls. In the extant case, the provisions of section 143(3)(i) is not applicable to the Company and hence we will not express opinion on the same.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going

concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably

be expected to outweigh the public interest benefits of such communication.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** 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:
 - a. 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;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid 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 written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. **(Refer to our report in Annexure "B")**
 - g. 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 did not have any pending litigation as on 31 March 2019
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ending 31 March 2019;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during year ended 31 March 2019;

For and on behalf of
Jain Chowdhary & Co.
Chartered Accountants
FR No.113267W

Siddharth Jain
Partner
M.No.104709

Date: 27th May 2019
Place: Mumbai

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

As referred to in Paragraph 5(1)(a) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Action Financial Services (India) Limited on the financial statements for the year ended 31 March 2019.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified by the management during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such physical verification.
- (c) The company holds title deed of its immovable property namely office premises in its own name during the financial year ended 31 March 2019.
- ii. The inventory consists of equity shares and is held in dematerialized form. The Company compares the Balances in Depository Participant Account with Books at regular interval. The inventory quantity and value has been certified by the management which has been relied upon by us. In our opinion, the frequency of verification is reasonable. On the basis of our examination of the inventory records, in our opinion the company is maintaining proper records of inventory and there is no material discrepancies noticed.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has not granted any loan or given guarantees or provided any securities during the year as per the provisions of Sections 185 and 186. In respect of investments made, the Company has complied with the provisions of Section 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- vi. The Central Government of India has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the services rendered by the Company.
- vii. According to the records of the Company, examined by us and information and explanations given to us:

- a) Undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues of wealth tax, service tax, custom duty and cess as at 31st March, 2019, which has not been deposited on account of dispute, except the following disputed income tax demand :

Sr. No.	Name of dues	Forum where Dispute is pending	Period to which amount relates	Amount involved in Rs.
1	Income Tax	CIT (A) against the DCIT order	A.Y. 2008-09	2,61,89,620 Paid (87,51,819) Net 1,74,37,801
2	Income Tax	CIT (A) against the DCIT Order	A.Y. 2010-2011	16,77,670
3	Income Tax	CIT (A) against the DCIT Order	A.Y. 2011-2012	7,09,780 Paid (1,41,956) Net 5,67,824
4	Income Tax	CIT (A) against the DCIT Order	A.Y. 2012-2013	12,90,000 Paid (1,43,845) Net 11,46,155
5	Income Tax	CIT (A) against the DCIT Order	A.Y. 2015-2016	30,11,520 Paid (1,92,160) Net 28,19,360

- viii. In our opinion and according to information and explanation given to us Company has not defaulted in repayment of its dues from bank. The company has not taken any loan from financial institution or Government nor issued any debentures.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

Action Financial Services (India) Limited

- xi. According to the records of the Company examined by us, and information and explanations given to us, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For and on behalf of
Jain Chowdhary & Co.
Chartered Accountants
FR No.113267W

Siddharth Jain
Partner
M.No.104709

Date: 27th May 2019
Place: Mumbai

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 8(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Action Financial Services (India) Limited of even date)

1. Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **ACTION FINANCIAL SERVICES (INDIA) LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial

reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

4. Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5. Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
Jain Chowdhary & Co.
Chartered Accountants
FR No.113267W

Siddharth Jain
Partner
M.No.104709

Dated: 27th May 2019
Place: Mumbai

Action Financial Services (India) Limited

Action Financial Services (India) Limited BALANCE SHEET AS AT 31ST MARCH 2019

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	122,090,569	120,206,648
		255,415,569	253,531,648
Non-current liabilities			
Long-term borrowings	4	1,066,572	1,066,572
Other Long term liabilities	5	10,602,039	10,880,241
Long-term provisions	6	2,397,914	6,546,383
		14,066,525	18,493,196
Current liabilities			
Short-term borrowings	7	46,723,716	43,265,397
Trade payables		43,097,252	72,418,390
Other current liabilities	8	7,787,435	5,130,260
Short-term provisions	9	4,226,527	1,875,910
		101,834,930	122,689,957
Total Equity & Liabilities		371,317,024	394,714,801
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		5,861,721	6,221,684
Intangible assets		-	656,230
		5,861,721	6,877,914
Non-current investments	11	75,467,615	61,511,295
Deferred tax assets (net)	12	3,715,070	3,602,056
Long-term loans and advances	13	9,009,177	8,636,677
Other non-current assets	14	1,134,836	24,534,836
		95,188,419	105,162,778
Current assets			
Inventories	15	193,517,799	201,800,539
Trade receivables	16	28,178,129	63,634,657
Cash and Bank Balance	17	36,359,376	6,763,307
Short-term loans and advances	18	6,361,606	5,816,612
Other current assets	19	11,711,695	11,536,907
		276,128,605	289,552,023
Total Assets		371,317,024	394,714,801

Significant Accounting Policies

Notes to Accounts

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

As per our report of even date

For Jain Chowdhary & Co.

Chartered Accountants

Firm Registration No. 113267 W

Siddharth Jain

Partner

Membership No.104709

Place: Mumbai

Date: 27th May 2019

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For and on behalf of the Board

Milan R Parekh

Chairman & Managing Director

DIN: 00108368

Bakul R Parekh

Joint Managing Director & CFO

DIN: 00108609

CS. Siddheshwar Thorat

Company Secretary

ACS: A57378

Place: Mumbai

Date: 27th May 2019

Action Financial Services (India) Limited
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Note No.	Current Year Rs	Previous Year Rs
Revenue			
Revenue from operations	20	40,325,230	34,541,009
Other income	21	5,463,688	9,501,520
Total Revenue		45,788,918	44,042,529
Expenses			
Employee benefits expense	22	13,524,292	15,328,405
Finance costs	23	8,005,898	8,920,695
Depreciation and amortization expense	10	1,399,112	3,575,044
Other expenses	24	21,088,707	22,030,954
Total Expenses		44,018,009	49,855,099
Profit / (Loss) before exceptional and extraordinary items and tax		1,770,909	(5,812,569)
Prior Period Expenses		-	-
Profit before extraordinary items and tax		1,770,909	(5,812,569)
Extraordinary Items		-	-
Profit / (Loss) before tax		1,770,909	(5,812,569)
Less: Tax expense			
Current tax		-	-
Less : Mat credit entitlement	-	-	-
Net current tax			
Deferred tax	12	(113,014)	(1,422,796)
Profit / (Loss) for the Year		1,883,923	(7,235,365)
Earnings per equity share of Rs. 10 each:			
(1) Basic		0.08	(0.64)
(2) Diluted		0.08	(0.64)

Significant Accounting Policies

1

Notes to Accounts

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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 Jain Chowdhary & Co.**Milan R Parekh****Chartered Accountants****Chairman & Managing Director**

Firm Registration No. 113267 W

DIN: 00108368

Bakul R Parekh**Siddharth Jain****Joint Managing Director & CFO**

Partner

DIN: 00108609

Membership No.104709

CS. Siddheshwar Thorat**Company Secretary**

ACS: A57378

Place: Mumbai

Place: Mumbai

Date: 27th May 2019

Date: 27th May 2019

Action Financial Services (India) Limited

Action Financial Services (India) Limited CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Year ended 31.03.2019 Rs.	Year ended 31.03.2018 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	1,770,909	(5,812,569)
Depreciation	1,399,112	3,575,044
Leave Encashment written Back	(12,569)	(46,279)
Provision for Non Performing Assets	5,006,373	5,244,595
Interest and Dividend Income	(3,264,556)	(2,308,701)
(Profit)/ Loss on sale of Investments	94,951	(6,123,084)
(Profit)/ Loss on sale of Fixed Assets	-	-
Interest Expenditure	8,005,898	8,920,695
Operating Profit before Working Capital Changes	13,000,118	3,449,701
Loan and Advances	(917,494)	(2,155,801)
Trade Receivables	30,450,155	(2,538,410)
Other current /Non current assets	23,225,211	(20,503,466)
Inventories	8,282,741	644,059
Trade payables	(29,308,570)	14,528,157
Other Payables (Excluding Current tax Provision)	581,120	(7,049,401)
Cash Generated from Operations	45,313,281	(13,625,161)
Direct Taxes Paid (Net)	-	(226,586)
Net Cash from Operating Activities [A]	45,313,281	(13,851,747)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) of Fixed Assets	(382,919)	(77,250)
Proceeds from sale of Fixed Assets	-	-
(Purchase) / Sale Of Investments (Net)	(13,956,320)	(8,178,232)
Dividend Received	835,323	753,475
Profit/ (Loss) on sale of Investments	(94,951)	6,123,084
Investment in Fixed deposit	(34,591,090)	24,174,838
Interest Received	2,429,233	1,555,226
Net Cash used in Investing Activities [B]	(45,760,724)	24,351,141
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Borrowing (Net) short term	3,458,319	3,981,439
Proceeds from Long term Borrowings	-	(298,184)
Interest paid	(8,005,898)	(8,920,695)
Net Cash from Financing Activities [C]	(4,547,579)	(5,237,440)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	(4,995,022)	5,261,954
Cash and cash equivalents as at 1st April (Opening)	6,329,398	1,067,444
Net increase / (decrease) in cash and cash equivalents	(4,995,022)	5,261,954
Cash and cash equivalents as at 31st March (Closing)	1,334,376	6,329,398
i) Cash and Cash Equivalents include:		
Notes :		
Balances with Schedule Banks on Current Accounts	539,405	6,196,086
Cash in Hand	794,971	133,312
	1,334,376	6,329,398
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.		
iv) Previous year's figures regrouped /reclassified wherever required.		

As per our report of even date
For Jain Chowdhary & Co.
Chartered Accountants
Firm Registration No. 113267 W

Siddharth Jain
Partner
Membership No.104709

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board
Milan R Parekh
Chairman & Managing Director
DIN: 00108368
Bakul R Parekh
Joint Managing Director & CFO
DIN: 00108609
CS. Siddheshwar Thorat
Company Secretary
ACS: A57378
Place: Mumbai
Date: 27th May 2019

Notes forming part of financial statement for the year ended 31st March 2019.

1. Significant Accounting Policies and Corporate Information

Corporate Information

Action Financial Services (India) Limited is a public Company listed on 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. With respect to the applicability of IndAS the company is advised that being stock broker it is covered in NBFC category for transition to Ind As. Accordingly IndAS accounting standard would be applicable to the company wef FY 2019-20 and early adoption of IndAS is not permitted. 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 Accrual basis.
- iv. Dividend income is recognized on receipt basis.
- v. Incomes from investing activities are recognized only when it is reasonably

certain that the ultimate collection will be made.

d. Current / non-current classification

All assets and liabilities are classified into current and non-current.

Assets :

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 12 months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities :

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

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. Application software is capitalized as Intangible Asset amortized over estimated useful life or before obsolescence, whichever is earlier.

h. Impairment of Fixed Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. 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 non-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 not recognized in the financial statements. However, contingent assets are assessed at regular intervals and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs

Action Financial Services (India) Limited

Notes to Financial Statements for the year ended 31st March 2019

2 Details of 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		
Non-Cumulative Preferences Shares of		
Rs.100/- each	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

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

Action Financial Services (India) Limited

Action Financial Services (India) Limited

Notes to Financial Statements for the year ended 31st March 2019

NOTES:

The preference share holders have agreed for extension of redemption date for preference shares upto 31.03.2024 and has also agreed for waiver of Arrears of dividend upto 31.03.2017. The preference share holders have further agreed to change the term to make preference shares Non cumulative from 1.04.2017. The company has filed necessary Board resolution with MCA .

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 2019		As at 31st March 2018	
	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				
BMA Wealth Creators Ltd.	730,025	5.84	730,025	5.84
Savi Portfolio Management Services Ltd.	13,00,000	10.40	13,00,000	10.40
TOTAL	67,47,970	53.96	67,47,970	53.96
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

Notes to Financial Statements for the year ended 31st March 2019

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	17,960,000	17,960,000
Closing Balance	17,960,000	17,960,000
d. Surplus as per Statement of Profit & Loss		
Opening Balance	(7,578,053)	(342,688)
Add: Profit	1,883,923	(7,235,365)
Add: Adjustment of earlier income tax	-	-
Less: Adjustment of Depreciation as per New Company's Act	-	-
Less: Tax on Distributed Profit		
Current year Surplus / (Loss)	1,883,923	(7,235,365)
Closing Balance	(5,694,131)	(7,578,053)
Total Reserves & Surplus	122,090,569	120,206,647

Notes:

1. Capital Redemption Reserve represents Reserve created on redemption of 101,200 Preference shares in 2008.
2. Capital Reserve represents forfeited amount of 11,90,000 warrants in year 2010, 125,000 warrants in year 2011 and 12,30,000 warrants in 2014.

4 LONG -TERM BORROWINGS

Particulars	Current Year	Previous Year
Payables under finance lease obligations	1,066,572	1,364,756
Less: Current maturities of finance lease obligations disclosed under Other		
Current Liabilities	-	(298,184)
Total	1,066,572	1,066,572

Action Financial Services (India) Limited

Action Financial Services (India) Limited

Notes to Financial Statements for the year ended 31st March 2019

5 Other Long term Liabilities

Particulars	Current Year	Previous Year
Deposit from Clients	8,914,971	9,043,173
Other Deposit Received	1,687,068	1,837,068
Total	10,602,039	10,880,241

6 Long - term Provisions

Particulars	Current Year	Previous Year
Contingent Provision against Standard Assets	538,688	538,688
Provision for gratuity	1,721,264	5,678,742
Provision for leave benefits	137,962	328,953
Total	2,397,914	6,546,383

7 Short Term Borrowings

Particulars	Current Year	Previous Year
Loans repayable on demand from Banks (Secured)	15,183,143	19,612,129
Inter corporate deposit (Secured)	31,540,572	23,653,268
Total	46,723,716	43,265,397

8 Other Current Liabilities

Particulars	Current Year	Previous Year
Others Loans & Advances	-	-
Current maturities of finance lease obligations	-	298,184
Others payables	7,397,809	4,103,636
Statutory Liabilities	273,107	336,118
Provision for option premium	116,519	392,322
Payable to related parties	-	-
Total	7,787,435	5,130,260

9 Short term Provisions

Particulars	Current Year	Previous Year
Provision for Gratuity	2,361,733	43,668
Provision for leave benefits	144,164	111,612
Provision for Taxation	1,720,630	1,720,630
Total	4,226,527	1,875,910

Action Financial Services (India) Limited

Notes to Financial Statements for the year ended 31st March 2019 (Contd.) Note 10

Fixed Assets

Particulars	Gross Block				Description				Net Block	
	As at 01.04.2018	Additions	Disposal	Closing Balance	Upto 01/04/2018	For the Year	Withdrawn	Total	As at 31.03.2019	As at 31.03.2018
Tangible Assets										
Office Premises	4,753,525	-	-	4,753,525	1,847,792	222,338	-	2,070,130	2,683,395	2,905,733
Lease Hold Improvement	874,267	-	-	874,267	802,409	71,858	-	874,267	-	71,858
Furniture & Fixtures	1,678,055	-	-	1,678,055	1,468,277	32,207	-	1,500,484	177,571	209,778
Vehicles	2,238,890	-	-	2,238,890	277,522	265,868	-	543,390	1,695,500	1,961,368
Office Equipments	484,364	307,619	-	791,983	245,090	70,213	-	315,303	476,680	239,274
Server	7,562,919	-	-	7,562,919	7,184,775	-	-	7,184,775	378,144	378,144
Computer	1,158,961	75,300	-	1,234,261	703,432	80,397	-	783,829	450,432	455,529
Sub Total	18,750,981	382,919	-	19,133,899	12,529,297	742,881	-	13,272,178	5,861,721	6,221,684
Intangible Assets										
Goodwill	12,918,645	-	-	12,918,645	12,918,645	-	-	12,918,645	-	-
Computer Software	7,607,931	-	-	7,607,931	6,951,700	656,231	-	7,607,931	-	656,230
Sub Total	20,526,576	-	-	20,526,576	19,870,345	656,231	-	20,526,576	-	656,230
Total	39,277,557	382,919	-	39,660,475	32,399,642	1,399,112	-	33,798,754	5,861,721	6,877,914
Previous Year	39,200,307	77,250	-	39,277,557	28,824,599	3,575,044	-	32,399,643	6,877,914	10,375,708

Action Financial Services (India) Limited

Action Financial Services (India) Limited

Notes to Financial Statements for the year ended 31st March 2019

11 Non- Current Investment

Particulars	Current Year	Previous Year
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. BGSE Shares	1,229,609	1,229,609
3. BSE Shares	-	-
4. Others	100,000	100,000
	10,329,609	10,329,609
Quoted Equity Instruments		
Equity Instruments (Market value Rs. 63,055,914/-)	65,138,006	51,181,686
Total	75,467,615	61,511,295

12 Deferred Tax Assets (Net)

Particulars	As at 01.04.2018	For the year	As at 31.03.2019
WDV differential	(742)	207,493	(534,743)
Retirement benefits	1,587	(452,034)	1,134,932
Unabsorbed Depreciation	481	198,619	679,883
Business Loss	2,016	245,399	2,261,800
Short Term Loss	260	(86,463)	173,198
Net Deferred tax Asset / (Liability)	3,602	113,014	3,715,070

13 Long -Term Loans & Advances

Particulars	Current Year	Previous Year
Security Deposits		
Secured, Considered good	9,009,177	8,636,677
Total	9,009,177	8,636,677

Action Financial Services (India) Limited**Notes to Financial Statements for the year ended 31st March 2019****14 Other non- current assets**

Particulars	Current Year	Previous Year
Fixed Deposits having maturities after 12 month from balance sheet date & held as margin money	-	23,400,000
Advances towards MCX Membership	1,134,836	1,134,836
Total	1,134,836	24,534,836

15 Inventories

Particulars	Current Year	Previous Year
Shares as at 31.03.2019 valued at Cost or Market value, whichever is lower.	193,517,799	201,800,539
Total	193,517,799	201,800,539

16 Trade receivables

Particulars	Current Year	Previous Year
Receivables outstanding for more than 6 months from the due date		
Unsecured, considered good	19,698,574	18,144,277
Less : Provision for Non- Performing Debtors	(11,680,718)	(6,674,345)
	8,017,857	11,469,932
Others		
Unsecured, Considered good	20,160,272	52,164,725
Total	28,178,129	63,634,657

Action Financial Services (India) Limited

Action Financial Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2019

17 Cash & bank Balances

Particulars	Current Year	Previous Year
Cash & Cash equivalents		
Balances with bank	539,405	6,196,086
Cash on hand	794,971	133,312
	1,334,376	6,329,398
Other bank balance		
FD held having maturity less than 12 mths from balance sheet date held as margin money	35,025,000	433,910
	35,025,000	433,910
Total	36,359,376	6,763,308

18 Short term loans and advances

Particulars	Current Year	Previous Year
Loans and advances to related parties		
Unsecured, Considered good	180,760	-
	180,760	-
Others		
Unsecured, Considered good		
Employee Loan	44,719	82,553
Prepaid Expenses	355,207	383,639
Others	5,780,920	5,350,420
	6,180,846	5,816,611
Total	6,361,606	5,816,611

19 Other current assets

Particulars	Current Year	Previous Year
Interest Accrued on Deposits	374,194	565,283
Advance Tax Paid	9,087,824	9,087,824
Tax Deducted at Source	2,249,678	1,883,800
Total	11,711,695	11,536,907

Action Financial Services (India) Limited

Notes to Financial Statements for the year ended 31st March 2019

20 Revenue from Operations

Particulars	Current Year	Previous Year
1. Revenue from Services		
Income from broking activities	9,876,661	12,530,388
Income from depository Services	2,891,289	6,608,177
	12,767,950	19,138,566
2. Other operating revenue		
Profit on Derivatives	5,624,620	7,087,121
Profit on sale of securities (Net)	21,932,659	8,315,321
	27,557,280	15,402,443
Total	40,325,230	34,541,008

21 Other Income

Particulars	Current Year	Previous Year
Interest income	2,429,233	1,555,226
Miscellaneous income	676,455	673,456
Gain or loss on sale of investments (Net)	(94,951)	6,123,084
Dividend Income	835,323	753,475
Rent received.	368,000	350,000
Gratuity Provision Written Back	1,237,059	-
Leave Encashment Written Back	12,569	46,279
xi) Profit on Currency Derivatives	-	-
xii) Profit on Derivatives	-	-
Total	5,463,688	9,501,520

Action Financial Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2019

22 Employee Benefit Expenses

Particulars	Current Year	Previous Year
Salary & Wages	12,776,798	12,464,071
Contribution to provident & other Funds	551,347	517,250
Leave Encashment	-	-
Staff welfare Expenses	183,932	281,008
Incentive to staff	12,215	13,269
Gratuity	-	2,052,808
Total	13,524,292	15,328,405

23 Finance cost

Particulars	Current Year	Previous Year
Interest Paid to Bank	2,193,599	3,310,164
Interest Paid to Others	5,517,117	5,091,417
Bank Guarantee Commission	295,182	519,113
Total	8,005,898	8,920,695

Action Financial Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2019

24 Other Expenses

Particulars	Current Year	Previous Year
Advertisements	72,637	59,580
Auditors Remuneration	395,000	395,000
Bank Charges	422,023	623,832
Bad Debts	89,690	-
Commission Paid	-	-
Communication Expenses	778,208	751,660
Electricity Expenses	775,334	756,380
Maintenance Expenses	1,110,400	1,204,428
Miscellaneous Expenses	554,312	889,999
NSDL Expenses	2,130,936	1,391,539
Penalty- NSE & Other	-	-
Printing & Stationery	206,151	210,695
Professional Fees	2,393,614	2,429,406
Professional Tax- Employer	-	-
Provision for Non-Performing Assets	5,006,373	5,244,595
Provision for Contingent against standard assets	-	-
Rent , Rates & Taxes	3,869,241	3,469,980
Sebi Settlement Charges	-	-
Stock Exchange Expenses	63,475	1,681,070
Sub Brokerage	1,528,874	1,601,018
OTCEI Membership Exp	-	-
Prior Period Expenses	-	432,784
Travelling and Conveyance	334,174	248,930
Dimunation in value of Stock in Trade	1,358,267	640,056
	21,088,707	22,030,951

Action Financial Services (India) Limited

Action Financial Services (India) Limited Notes to Financial Statements for the year ended 31st March 2019

25. Contingent Liabilities not provided in respect of

- a. Bank Guarantee amounting to Rs.70,000,000/- (P.Y. Rs. 48,000,000/-) given to BSE and NSE for Margin, Secured by fixed deposit of Rs. 35,000,000/-(P.Y. Rs. 24,000,000/-).
- b. Allotment money payable on partly paid shares and debentures Rs. 1,782,000/- (P.Y.Rs. 1,782,000/-).
- c. **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 in Rs.
1	Income Tax	CIT (A) against the DCIT order	A.Y. 2008-09	26,189,620 Paid (8,751,819) Net 17,437,801
2.	Income Tax	CIT (A) against the DCIT Order	AY 2010-2011	1,677,670
3.	Income Tax	CIT (A) against the DCIT Order	AY 2011-2012	709,780 Paid (141,956) Net 567,824
4.	Income Tax	CIT (A) against the DCIT Order	AY 2012-2013	1,290,000 Paid (143,845) Net 1,146,155
5.	Income Tax	CIT (A) against the DCIT Order	AY 2015-2016	3,011,520 Paid (192,160) Net 2,819,360

Note:-

1. The Company had contested Income Tax demand of Rs 26,189,620/- for Assessment Year 2008-09. The Company has deposited Rs.8,751,819/-. The same is shown as Loans and Advances. Company have preferred appeal against the demand in CIT(A). The Company is advised that the demand is not likely to be sustained.

2. The Company had contested Income Tax demand aggregating to Rs 6,211,009/- for Assessment years from 2010-11 to 2015-16 and calculation errors were noticed in the order. On 14th February, 2017 and again on 27th April 2018 the Company has requested for rectification by which the demand is likely to be reduced to Rs. 22.40 Lakhs. No rectification order has been received till date. Company has also filed appeal with CIT(A) on 25th January 2017 against the order dated 26th December 2016. The Company is advised that it has a good case and demand is not likely to materialize.

Except as described above, there are no pending disputes as on 31st March, 2019 which the company believes would have material adverse effect on the results of operations, cash flow or the financial position of the company.

26. Capital Commitments : Nil (P.Y. Nil)

27. In view of not having sufficient profit available during the current financial year, the board of directors have not recommended payment of dividend on equity as well as preference shares for FY 2018-19.

28. Capital Reserve :

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

29. Borrowings

Bank Overdraft:

- a. The company has overdraft facility from scheduled bank of Rs. 76.50 Lakhs (P.Y. Rs. 127 Lakhs) against which outstanding balance as at 31st March, 2019 was Rs.127 Lakhs (P.Y.Rs. 127 Lakhs). The overdraft facility is secured against equitable mortgage of the property owned by the company and personal Guarantee of Directors viz Mr. Milan Parekh and Mr. Bakul Parekh. Facility carries interest@ 1 year MCLR 8.40% + BSS 0.30% + CRP 2.90% presently 11.60% p.a. There are no overdrawn balances as at year end.
- b. The company has overdraft facility from scheduled bank of Rs. 75 Lakhs (P.Y. Rs. 75 Lakhs) against which outstanding balance as at 31st March, 2019 was Rs. 75 Lakhs (P.Y.Rs. 69 Lakhs). The overdraft facility is secured against shares. Facility carries interest@ 1 year MCLR 8.40% + BSS 0.30% + CRP 2.90% presently 11.60% p.a. There are no overdrawn as at year end.

Long Term Borrowings:

The company has availed Car Finance from Kotak Mahindra Prime Ltd. aggregating to amount Rs. 16 Lakhs payable in 60 EMI at Fixed rate 8.7 % from April 2017 to March 2022. These are secured against Two vehicles of the company. Installments due for next one year (Current Maturities of Finance lease obligations) are included under Other Current Liabilities.

ICD:

Inter corporate deposit of Rs. 279 Lakhs (P.Y. 195 Lakhs) as at 31st March, 2019 received from Enpee Enterprises Pvt. Limited is secured against Pledge of Equity shares and securities held by the company and the subsidiaries as well as Company premises in BSE Building. The loan carries interest @21% p.a. Management has represented that the shares and securities have been pledged to avail the above ICDs.

Inter corporate deposit of Rs. 16 Lakhs/- (P.Y. 16 Lakhs) as at 31st March, 2019 received from Inland Financial Pvt. Limited is secured against Pledge of shares and securities held by the company and the subsidiaries. The loan carries interest @12% p.a. Management has represented that the shares and securities have been pledged to avail the above ICD.

Inter corporate deposit of Rs. 20 Lakhs/- (P.Y. 25 Lakhs) as at 31st March, 2019 received from Ketul Enterprises Pvt. Ltd is secured against Pledge of Equity shares. The loan carries interest @15% p.a. Management has represented that the shares and securities have been pledged to avail the above ICD.

There are no stipulations as to repayment of all the above mentioned ICDs.

30. Managerial Remuneration:

Particulars	2018-19	2017-18
Salary, Allowance & Perquisites	4,200,000	4,200,000
Leave Encashment Paid*	Nil	Nil
*Excludes provision for gratuity and leave encashment.		
TOTAL	4,200,000	4,200,000

No separate computation of Directors remuneration u/s 197/198 of the Act is given as no commission is payable to the Directors.

31. Auditor's remuneration:

Particulars	2018-19	2017-18
Audit Fees	395,000	395,000
Other Services	15,000	15,000
Total	410,000	410,000

32. Trade Receivables:

(a) Contingent provision against standard assets :-

The company has Long-term Provision of Rs. 538,688/- on account of Contingent provision against standard assets as against required provision of Rs. 190,314/-

(b) The provision for Non performing assets is maintained at Rs. 11,680,718/- (P.Y.Rs. 6,674,345/-) against the required provision of Rs. 1,969,857/- being 10 % of receivables outstanding for more than 6 months from the due date. Additional provision of Rs. 5,006,373/- is charged to Profit & Loss under other expenses.

(c) In the opinion of the management, current assets, loans and advances have a value on realisation in the course of business at least equal to the amount at which they are stated in the balance sheet and are fully recoverable and considered good. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably stated.

(d) Balances of certain debtors, creditors, Borrowings and advances given are subject to confirmation or reconciliation if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments.

33. Short Term Loan & Advances:

Short Term Loan given to Eloquent Syscon Pvt. Ltd Rs.22.70 Lakhs (P.Y. 22.70 Lakh) as at 31st March, 2019 is unsecured loan @ 18% p.a Interest.

34. Bad debts written off:

During the year the company has written off Rs. 89,690/- (P.Y. Rs. Nil/-) as bad debts

35. Investment

(a) The aggregate market value of quoted investments as at 31.03.2019 is Rs. 63,055,914/-(P.Y.Rs. 52,057,552/-) as against the total cost of quoted

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investment of Rs 65,138,007 /- (P.Y.Rs. 51,181,686/-).

(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) Investments have been verified during the year at reasonable intervals and also at the year end by the management and no discrepancies have been noticed by the management.

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

Name of the Company	As on 31st March 2019			As on 31st March 2018		
	No. of Shares	Face Value Rs.	Cost Rs.	No. of Shares	Face Value Rs.	Cost Rs.
(A) Quoted Shares (Fully Paid) at cost						
ASTEC LIFESCIENCES LTD	28010	10	16,715,248	32,550	10	19,366,552
BHARAT HEAVY ELECT LTD	892	5	66,890	3,815	5	426,647
BOMBAY BURMAH TRADING COR	2	2	2,404	1,202	2	1,445,044
BSE LIMITED	4229	1	-	4,229	1	-
COAL INDIA LTD	404	10	90,029	216	10	62,186
CUMMINS INDIA LTD	119	2	97,617	57	2	54,834
DILIP BUILDCON LIM	45	10	17,759	10	10	3,498
GENESYS INTL CORPN LTD	50	5	13,566	2,750	5	750,067
GREAVES LTD	100	2	14,200	11,800	2	2,068,863
HINDUSTAN UNILEVER LTD	4560	1	7,199,282	31	1	28,974
INDIAN HOTELS CO LTD	20	1	2,538	20	1	2,538
ITC LTD	251	1	70,064	389	1	109,036
MAHARASHTRA SEAMLESS LTD	4600	5	1,918,246	4,600	5	1,918,246
MARKSANS PHARMA LIMITED	50	1	1,243	8,880	1	194,465
MERCATOR LINES LTD	186497	1	6,441,993	258,647	1	9,093,236
RADICO KHAITAN LTD	7512	2	2,997,210	6,669	2	2,290,918
RAMCO CEMENTS LIMITED	5036	1	3,427,938	10	1	6,690
RELIANCE INDUSTRIES LTD	13008	10	16,537,577	1,968	10	1,801,035
RURAL ELEC CORP LTD	13689	10	2,221,332	9,944	10	1,673,205
SAKTHI SUGARS LTD	10	10	114	1,800	10	36,936
SUN PHARMACEUTICALS IND.	5239	1	2,323,933	2,156	1	1,398,964
SUN TV	349	5	206,311	1,687	5	1,378,256
TATA TELESERV(MAHARASTRA)	16349	10	92,372	402,191	10	2,284,601
TRENT LTD	8200	1	2,782,752	8,200	1	2,782,752
WIPRO LTD	155	2	42,816	362	2	149,565
XCHANGING SOLUTIONS LTD	32900	10	1,854,573	32,900	10	1,854,573
Total (A)			65,138,007			51,181,686
(B) Unquoted Shares (Fully Paid)						
ACTION COMMODITIES LTD		10	8,500,000	100,000	10	8,500,000
ACTION SECURITIES LTD		10	500,000	50,000	10	500,000
BANGALORE STOCK EXCHANGE LTD		1	1,229,609	7,228	1	1,229,609
SUMAN RESORT LTD		10	100,000	10,000	10	100,000
Total (B)			10,329,609			10,329,609
GRAND TOTAL (A+B)			75,467,616			61,511,295

36. Stock In Trade:

Stock in trade (SIT) has been valued at Cost or Market value whichever is lower, diminution in market value is charged to profit and loss account amounting to Rs. 1,358,267/- (P.Y.Rs. 640,056/-).

The Stock in trade has been verified by the management during the year at reasonable intervals and also at the year end and no discrepancies have been noticed by the management.

With respect to Stock in trade and Investments given as security for margin and for borrowings the company has obtained confirmations. The quantity and valuation of stock as at 31st March 2019 has been certified by the management.

37. Company has entered into option contracts on National stock exchange in equity segment and currency segment. The open position as on 31.03.19 is Rs.67,159,238/- (P.Y. Rs.17,117,942/-).

38. 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	01 - April – 18 to 31-Mar-19	01 - April – 17 to 31-Mar-18
I	Assumptions as at	31 – Mar – 19	31 – Mar – 18
	Mortality	IALM(2006-08) Ult.	IALM(2006-08) Ult.
	Interest / Discount Rate	7.60%	7.68%
	Rate of increase in compensation	3.00%	10.00%
	Rate of return (expected) on plan assets		
	Employee Attrition Rate(Past Service (PS))	PS: 0 to 5 :20%	PS: 0 to 5 :1%
		PS: 5 to 16:0%	PS: 5 to 50:0%
		PS: 16 to 42:2%	
	Expected average remaining service	12.30	19.07
II	Changes in Present Value of Obligations	31- Mar-19	31- Mar-18
	PVO at beginning of period	5,722,410	3,669,602
	Interest cost	424,031	256,872
	Current Service Cost	430,137	351,320
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	1,877,158

Action Financial Services (India) Limited

	Benefits Paid	(402,354)	-
	Actuarial (Gain)/Loss on obligation	(2,091,227)	(432,542)
	PVO at end of period	4,082,997	5,722,410
III	Changes in fair value of plan assets	31 – Mar – 19	31 – Mar – 18
	Fair Value of Plan Assets at beginning of period	-	-
	Expected Return on Plan Assets	-	-
	Contributions	402,354	-
	Benefit Paid	(402,354)	-
	Actuarial Gain/(Loss) on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
IV	Fair Value of Plan Assets	31-Mar-19	31-Mar-18
	Fair Value of Plan Assets at beginning of period	-	-
	Actual Return on Plan Assets	-	-
	Contributions	402,354	-
	Benefit Paid	(402,354)	-
	Fair Value of Plan Assets at end of period	-	-
	Funded Status (including unrecognized past service cost)	(4,082,997)	(5,722,410)
	Excess of actual over estimated return on Plan Assets	-	-
V	Experience History	31-Mar-19	31-Mar-18
	(Gain)/Loss on obligation due to change in Assumption	(1,525,301)	(290,808)
	Experience (Gain)/ Loss on obligation	(565,926)	(141,734)
	Actuarial Gain/(Loss) on plan assets	-	-
VI	Actuarial Gain/(Loss) Recognized	31-Mar-19	31-Mar-18
	Actuarial Gain/(Loss) for the period (Obligation)	2,091,227	432,542
	Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	2,091,227	432,542
	Actuarial Gain/(Loss) recognized for the period	2,091,227	432,542
	Unrecognized Actuarial Gain/(Loss) at end of period	-	-
VII	Past Service Cost Recognized	31-Mar-19	31-Mar-18
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	1,877,158
	Average remaining future service till vesting of the benefit	-	-
	Recognized Past service Cost- non vested benefits	-	-
	Recognized Past service Cost- vested benefits	-	1,877,158
	Unrecognized Past Service Cost- non vested benefits	-	-
VIII	Amounts to be recognized in the balance sheet and statement of profit & loss account	31-Mar-19	31-Mar-18
	PVO at end of period	4,082,997	5,722,410
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	(4,082,997)	(5,722,410)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Unrecognized Past Service Cost- non vested benefits	-	-
	Net Asset/(Liability) recognized in the balance sheet	(4,082,997)	(5,722,410)

IX	Expense recognized in the statement of P & L A/C	31-Mar-19	31-Mar-18
	Current Service Cost	430,137	351,320
	Interest cost	424,031	256,872
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	1,877,158
	Unrecognized Past Service Cost- non vested benefits	-	-
	Expected Return on Plan Assets	-	-
	Net Actuarial (Gain)/Loss recognized for the period	(2,091,227)	(4,32,542)
	Expense recognized in the statement of P & L A/C	(1,237,059)	2,052,808
X	Movements in the Liability recognized in Balance Sheet		
	Opening Net Liability	5,722,410	3,669,602
	Expenses as above	(1,237,059)	2,052,808
	Contribution paid	(402,354)	-
	Closing Net Liability	4,082,997	5,722,410
XI	Schedule III of The Companies Act 2013		
	Current Liability	1,721,264	43,668
	Non-Current Liability	2,361,733	5,678,742
XII	Projected Service Cost 31 Mar, 2019	228,921	4,30,137

b) Leave Encashment: Disclosures are as under:

	Accounting Disclosures Statement		Amount in Rs.
	Period of accounting	1-Apr-18	1-Apr-17
		to 31-Mar-19	to 31-Mar-18
		(all figures in Indian Rupees)	
I	Assumptions as at	31-Mar-19	31-Mar-18
	Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
	Interest / Discount Rate	7.60%	7.68%
	Rate of increase in compensation	3.00%	10.00%
	Rate of return (expected) on plan assets		
	Employee Attrition Rate(Past Service (PS))	PS: 0 to 5 :20%	PS: 0 to 5 :1%
		PS: 5 to 16 :0%	PS: 5 to 20 :0%
		PS: 16 to 42:2%	
	Expected average remaining service	12.30	19.07
II	Changes in present value of obligations	31-Mar-19	31-Mar-18
	PVO at beginning of period	331,863	475,953
	Interest cost	23,225	33,317
	Current Service Cost	600,865	607,549
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Benefits Paid	(58,910)	-
	Actuarial (Gain)/Loss on obligation	(671,222)	(784,956)
	PVO at end of period	225,821	331,863

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III	Changes in fair value of plan assets	31-Mar-19	31-Mar-18
	Fair Value of Plan Assets at beginning of period	-	-
	Expected Return on Plan Assets	-	-
	Contributions	58,910	-
	Benefit Paid	(58,910)	-
	Actuarial Gain/(Loss) on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
IV	Fair Value of Plan Assets		
	Fair Value of Plan Assets at beginning of period	-	-
	Actual Return on Plan Assets	-	-
	Contributions	58,910	-
	Benefit Paid	(58,910)	-
	Fair Value of Plan Assets at end of period	-	-
	Funded Status (including unrecognized past service cost)	(225,821)	(331,863)
	Excess of actual over estimated return on Plan Assets	-	-
V	Experience History	31-Mar-19	31-Mar-18
	(Gain)/Loss on obligation due to change in Assumption	(163,697)	(29,313)
	Experience (Gain)/ Loss on obligation	(507,525)	(755,643)
	Actuarial Gain/(Loss) on plan assets	-	-
VI	Actuarial Gain/(Loss) Recognized		
	Actuarial Gain/(Loss) for the period (Obligation)	671,222	784,956
	Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	671,222	784,956
	Actuarial Gain/(Loss) recognized for the period	671,222	784,956
	Unrecognized Actuarial Gain/(Loss) at end of period	-	-
VII	Past Service Cost Recognized	31-Mar-19	31-Mar-18
	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	Amounts to be recognized in the balance sheet and statement of profit & loss account	31-Mar-19	31-Mar-18
	PVO at end of period	225,821	331,863
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	(225,821)	(331,863)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Unrecognized Past Service Cost- non vested benefits	-	-
	Net Asset/(Liability) recognized in the balance sheet	(225,821)	(331,863)

IX	Expense recognized in the statement of P & L A/C	31-Mar – 19	31-Mar – 18
	Current Service Cost	600,865	607,549
	Interest cost	23,225	33,317
	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	(671,222)	(784,956)
	Expense recognized in the statement of P & L A/C	(47,132)	(144,090)
X	Movements in the Liability recognized in Balance Sheet	31-Mar-19	31-Mar-18
	Opening Net Liability	331,863	475,953
	Expenses as above	(47,132)	(144,090)
	Contribution paid	(58,910)	-
	Closing Net Liability	225,821	331,863
XI	Schedule III of The Companies Act 2013	31-Mar-19	31-Mar-18
	Current Liability	144,164	111,612
	Non-Current Liability	137,962	328,953
XII	Short Term Compensated Absence Liability.		
	Valuation date.	31-Mar-19	31-Mar-18
	No of Days	126.25	172.25
	Amount	56,305	108,702
XII	Projected Service Cost 31 – March - 2018	274,636	600,865

39. Provision for Taxation:

The company has sufficient unabsorbed Depreciation, Carried Forward Business and short term losses hence no provision for Income Tax made during the year. In view of availability of unabsorbed Business Loss & depreciation , no provision for tax under MAT is made.

40. Earnings per Share (EPS):

Sr. No.	Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
(A)	Profit /(Loss) After tax (in Rs.)	1,883,923	(7,235,365)
(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	1,055,923	(8,063,365)
(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	12,504,500
(G)	Basic Earnings Per Share (in Rs.) (C/E)	0.08	(0.64)
(H)	Diluted Earnings Per Share (in Rs.) (C/F)	0.08	(0.64)

41. Trade Payables:

- 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.
- b) To the extent information is 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.
- c) As represented by the company, the company does not owe any sum to micro enterprises and small enterprises. Accordingly, the company has not made a separate disclosure under Trade Payables in Part I – Balance Sheet as required by the notification dated 04th September, 2015 pertaining to alterations in Schedule III issued by MCA.

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

- a. The Company has taken one office premises under leave 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 31.03.2019 Amount (Rs.)	Year Ended 31.03.2018 Amount (Rs.)
Not later than one year	2,741,618	2,499,861
Later than one year and not later than five years	134,000	103,318
More than five years	NIL	NIL

43. 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 3. Mr. Siddheshwar Thorat Company Secretary
3.	Enterprise controlled by the company	Subsidiaries: 1. Action Securities Limited 2. Action Commodities Limited
4.	Relative of key management Personnel	1. Mrs. Nayana Milan Parekh 2. Mr. Sagar Milan Parekh 3. Mrs. Avni Sagar Parekh 4. Miss Disha Bakul 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 Parekh		
		Nature of Transaction	Current Year (Rs.)	Previous Year (Rs.)
		Remuneration	2,100,000	2,100,000
		Receivable	Nil	43,996
		Payables	943,423	Nil
		Mr. Bakul R Parekh		
		Nature of Transaction	Current Year (Rs.)	Previous Year (Rs.)
		Remuneration	2,100,000	2,100,000
		Payable	1,931,322	116,142
		Receivable	Nil	Nil
3.	Enterprise controlled by the company	Nature of Transaction	Current Year (Rs.)	Previous Year (Rs.)
		Professional Expenses	Nil	220,000
		Rent received	Nil	50,000
		Closing Balance		
		- Deposits	75,000	75,000
		- Receivable	59,845	NIL
		- Payable	590,486	313,493
4.	Relative of key management Personnel	Nature of Transaction	Current Year (Rs.)	Previous Year (Rs.)
		Brokerage & AMC	83,690	148,718
5.	Enterprise under control of relative of Key Management Personnel	None		
6.	Enterprise under common control of Key Management Personnel	None		

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

45. Fixed Assets:

- a. Company has carried out physical verification of Fixed Assets during the year. There are no material discrepancies found on such verification.
- b. The company has tested its Fixed Assets for impairment as per “AS-28 Impairment of Fixed Assets”. There are no indications of impairment to the asset.

46. Long term contracts and derivatives contracts:

The Company has reviewed its long term contracts including in the nature of derivative contracts. There are no material foreseeable losses on such contracts.

47. 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.

48. 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.
49. Due to rounding off, the numbers presented throughout the document may not add up precisely to the absolute figures. 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 Jain Chowdhary & Co
Chartered Accountants
Firm Registration No. 113267W

Milan R. Parekh
Chairman & Managing Director
 DIN: 00108368

Siddharth Jain
Partner
Membership No.104709

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

CS. Siddheshwar Thorat
Company Secretary
 ACS: A57378

Place: Mumbai
 Date: 27th May 2019

Place: Mumbai
 Date: 27th May 2019

Action Financial Services (India) Limited

DIRECTORS' REPORT

To,
The Members,
Action Securities Limited,

Dear Members,

The Directors have pleasure in presenting the **12th Annual Report** together with the Audited Financial Statement for the year ended on **31st March, 2019**.

FINANCIAL RESULTS

	Year ended 31.3.2019	Year ended 31.3.2018
Revenue from operations & other Income	1,625	155,561
Profit (Loss) before Depreciation	(23,914)	(16,036)
Less: Depreciation		-
Profit (Loss) After Depreciation & before Tax	(23,914)	(16,036)
- Taxation Current Year		-
- Earlier Year Tax	-	15,655
- Deferred Tax	10,870	(13,006)
Profit /(Loss) after tax	(13,044)	(13,387)

STATEMENT OF AFFAIRS & FUTURE OUTLOOK & EXPANSION PLAN:

The company is currently not actively doing any business activity but the holding company is in process of restructuring its business activities for which this company was formed. In coming years it will be a full fledged active company after restructuring is done.

DIVIDEND

The Board has not recommended any dividend for the year ended 31st March, 2019.

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, 2019 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. 13,044/- for the financial year 31st March 2019.

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. Milan R. Parekh (DIN: 00108368) 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 on his/her evaluation.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors confirm 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) they 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) they 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) they had prepared the annual accounts on a going concern basis; and
- (e) they 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) they 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 7 days 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 5 (Five) times in financial year 2018-2019 and the maximum interval between any two meetings did not exceed 120 days as follows;

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
28.05.2018	10.08.2018	13.11.2018	31.01.2019
-	-	-	13.02.2019

The attendance of the directors in the Board Meetings during FY 2018-19 is as follows:

Name of Director	No. of Meeting held	No. of Meeting attended
Milan R. Parekh	5	5
Bakul R. Parekh	5	5
Sagar M. Parekh	5	5

AUDITORS

M/s Ambavat Jain & Associates LLP (Firm Registration No. 109681W), Chartered Accountants, Mumbai, were appointed as Statutory Auditors for a period of 5 consecutive years in the Annual General Meeting held on 29th September, 2017. M/s. Ambavat Jain & Associates LLP (Firm Registration No. 109681W), Chartered Accountants, Mumbai resigned as the statutory auditors of the company w.e.f. 28th January, 2019 due to pre-occupation with other assignments.

M/s. Jain Chowdhary & Co. (FRN: 113267W), Chartered Accountants, Mumbai was appointed as Statutory auditors of the company w.e.f. 31st January, 2019 to fill the casual vacancy caused by the resignation of M/s Ambavat Jain & Associates LLP and the same was approved by the members of the company in the Extra-ordinary General Meeting held on 26th April, 2019.

The Board of Directors of the Company at their meeting held on 27th May, 2019 has recommended the appointment M/s. Jain Chowdhary & Co. (FRN: 113267W), as the Statutory Auditors of the Company for the period of four (4) years pursuant to Section 139 of the Companies Act, 2013. Accordingly, the Board seeks approval of Members of the company for the appointment of Statutory Auditors as mentioned in the notice of the Annual General Meeting.

The Company has received letter from M/s. Jain Chowdhary & Co. 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 for the year ended 31st March, 2019 which requires any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the statutory auditor has not reported to the Board under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148 (1) of the companies act, 2013 are not applicable to the business activities carried out by the company.

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 as **Annexure A**.

SECRETARIAL STANDARDS

The Company continues to comply with all the applicable Secretarial Standards.

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 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. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and the same forms part of this report as **Annexure B**.

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.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business within the meaning of Sections 134 (3) of the Companies Act, 2013 and sub rule 8(5) of the Companies (Accounts) Rules, 2014. The nature of the business of the Company continues to remain the same as previous year.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility are not applicable to the Company under section 135 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE AUTHORITIES

During the year under review, there are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013

The Company has in place a Policy on Prevention of Sexual Harassment of Women Employees in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) under Section 4 of the Act could not be constituted as there were no employees in the company during the year under review.

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 of Directors

Milan R. Parekh
Chairman
(DIN: 00108368)

Place: Mumbai

Date: 27th May, 2019

ANNEXURE – A
FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

[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 - 400 001, INDIA. Contact: 022-43654444, 022-43654446 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.	Other Financial Activities	66120	NIL

Action Financial Services (India) Limited

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associates	%Of Shares Held	Applicable Section
1.	Action Financial Services (India) Limited 46 & 47, 6th FLOOR, RAJGIR CHAMBERS, 12/14, SHAHID BHAGAT SINGH ROAD, OPP.OLD CUSTOM HOUSE, FORT MUMBAI Mumbai City MH 400001 IN	L65944MH1992PLC068879	Holding	100	2(46)

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

(A) 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

Action Financial Services (India) Limited

(B) 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

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

Sr. No.		Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the year	
	Name	No. of Shares at the beginning	% of total shares of the Company	Date	Increase/ Decrease in share-holding	Reason	No. of Shares	% of total shares of the Company
1	ACTION FINANCIAL SERVICES (INDIA) LIMITED	49400	98.80	No Change			49400	98.80
	AT THE END OF THE YEAR						49400	98.80
2	MILAN R PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	No Change			100	0.20
	AT THE END OF THE YEAR						100	0.20
3	BAKUL RAMNIKLAL PAREKH Jt. ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	No Change			100	0.20
	AT THE END OF THE YEAR						100	0.20
4	NAYANA MILAN PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	No Change			100	0.20
	AT THE END OF THE YEAR						100	0.20
5	KETKI BAKUL PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	No Change			100	0.20
	AT THE END OF THE YEAR						100	0.20
6	RADHAKRISHNA SUJIR NAYAK Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	No Change			100	0.20
	AT THE END OF THE YEAR						100	0.20
7	SAGAR MILAN PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.20	No Change			100	0.20
	AT THE END OF THE YEAR						100	0.20

(D) Shareholding Pattern of top ten Shareholders: NIL**(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
	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: NIL

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
	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	
1	Gross salary	0	0	0	0
	(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-Leave Encashment				
	Total (A)	0	0	0	0
	Ceiling as per the Act				

Action Financial Services (India) Limited

B. Remuneration to other directors

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

Sr. No.	Particulars of Remuneration	Name of Directors		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: NA

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					

For and on Behalf of the Board

Milan R. Parekh
Chairman
(DIN: 00108368)

Place: Mumbai
Date: 27th May, 2019

ANNEXURE B
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)
Form for disclosure of particulars of contract/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into with related parties during the year ended March 31, 2019, which were not at arm's length basis.

Name (s) of the related party & nature of relationship	Nature of contracts /arrangements /transaction	Duration of the Contracts /arrangements /transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
NA	NA	NA	NA	NA	NA	NA	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.: NIL

Name (s) of the related party	Nature of relationship	Nature Of contracts /arrangements /transactions	Duration Of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transaction including the value, if any (Amt in Rs.)	Date of approval by the Board, if any	Amount paid as advances, if any
(a)		(b)	(c)	(d)	(e)	(f)
NA	NA	NA	NA	NA	NA	NA

Place: Mumbai
Date: 27th May, 2019

For and on Behalf of the Board
Milan R. Parekh
Chairman
(DIN: 00108368)

INDEPENDENT AUDITOR'S REPORT

To
The Members of
ACTION SECURITIES LTD

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the accompanying standalone financial statements of **Action Securities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (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 March 31, 2019, and profit, and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with Standards on Auditing (SAs) specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does

not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

4. Responsibilities of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Standards and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls. In the extant case, the provisions of section 143(3)(i) is not applicable to the Company and hence we will not express opinion on the same.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of

our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" 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:
 - a. 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;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid 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 written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. **(Refer to our report in Annexure “B”)**
- g. 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 did not have any pending litigation as on 31 March 2019
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ending 31 March 2019;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during year ended 31 March 2019;

**For Jain Chowdhary & Co.
Chartered Accountants
FR No. 113267W**

**Siddharth Jain
Partner
M.No.104709**

Place: Mumbai
Date: 27th May 2019

Annexure-A

As referred to in Paragraph 5(1)(a) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Action Securities Limited on the financial statements for the year ended 31 March 2019.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified by the management during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such physical verification.
- (c) The Company did not own any immovable property during the financial year ended 31 March 2019.
- ii. The company does not have any stock of Raw materials, stores, spares parts and finished goods. Hence, Clause (ii) of the Order is not applicable.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has not granted any loan or given guarantees or provided any securities during the year as per the provisions of Sections 185 and 186. In respect of investments made, the Company has complied with the provisions of Section 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- vi. The Central Government of India has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the services rendered by the Company.
- vii. According to the records of the Company, examined by us and information and explanations given to us:
 - a) Undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
 - b) There are no disputed dues of income tax or sales tax or service tax, goods and service tax, duty of customs, duty of excise or value added tax outstanding as at 31 March 2019.

- viii. The Company does not have any loans or borrowings from any banks, financial Institutions, government or debenture holders during the year. Accordingly paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the records of the Company examined by us, and information and explanations given to us, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Jain Chowdhary & Co.
Chartered Accountants
FR No. 113267W**

**Siddharth Jain
Partner
M.No.104709**

Place: Mumbai
Date: 27th May 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 8(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Action Securities Limited of even date)

1. Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ACTION SECURITIES LIMITED (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial

reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

4. Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5. Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For and on behalf of
Jain Chowdhary & Co.
Chartered Accountants
FR No.113267W**

**Siddharth Jain
Partner
M.No.104709**

Dated: 27th May 2019
Place: Mumbai

Action Securities Limited
BALANCE SHEET AS AT 31ST MARCH 2019

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	(333,732)	(320,688)
		166,268	179,312
Current liabilities			
Trade payables		-	-
Other current liabilities	4	37,586	15,150
Short-term provisions	5	-	-
		37,586	15,150
Total		203,854	194,462
Assets			
Non-current assets			
Fixed assets			
Tangible assets	6	3,652	3,652
Non-current investments	7	120,748	120,748
Deferred tax assets (net)	8	60,125	49,255
		184,525	173,654
Current assets			
Cash and Bank Balance	9	379	1,558
Short term Loans and Advances	10	2,000	4,000
Other Current assets	11	16,950	15,250
		19,329	20,808
Total		203,854	194,462

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 Jain Chowdhary & Co.**Milan R. Parekh****Chartered Accountants****Director**

Firm Registration No. 113267 W

DIN : 00108368

Siddharth Jain**Bakul R. Parekh****Partner****Director****Membership No.104709**

DIN : 00108609

Place: Mumbai

Place: Mumbai

Date: 27th May 2019

Date: 27th May 2019

Action Financial Services (India) Limited

Action Securities Limited STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Note No.	Current Year Rs	Previous Year Rs
Revenue			
Revenue from operations	12	-	150,000
Other income	13	1,625	5,561
Total		1,625	155,561
Expenses			
Employee benefits expense	14	900	112,956
Finance costs	15	-	9,565
Other expenses	16	24,639	49,077
Total		25,539	171,597
Profit/(loss) before tax		(23,914)	(16,036)
Tax expense:			
Current tax (MAT)		-	-
Earlier Tax Adjustment		-	15,655
Deferred tax	8	10,870	(13,006)
Profit (Loss) for the year		(13,044)	(13,387)
Earnings per equity share of Rs. 10 each:			
Basic/ Diluted		(0.26)	(0.27)

Significant Accounting Policies
Notes to Accounts

1
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 Jain Chowdhary & Co.
Chartered Accountants
Firm Registration No. 113267 W

Milan R. Parekh
Director
DIN : 00108368

Siddharth Jain
Partner
Membership No.104709

Bakul R. Parekh
Director
DIN : 00108609

Place: Mumbai
Date: 27th May 2019

Place: Mumbai
Date: 27th May 2019

Action Securities Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Current Year Rs.	Previous Year Rs.
A. Cash Flow From Operating Activities:		
Profit / (Loss) Before Tax	(23,914)	(16,036)
Add/(Less) Non-Cash And Non-Operating Items		
Interest on IT Refund	-	(3,805)
Dividend income	(1,625)	(325)
Operating Profit / (Loss)Before Working Capital Changes	(25,539)	(20,166)
Changes In Working Capital		
Increase / (Decrease) In Trade Payables	-	(39,758)
(Increase) / Decrease In Short term loan and advance	2,000	194,372
(Increase) / Decrease In Other Current Assets	(1,700)	(15,250)
Increase / (Decrease) In other Current Liabilities & Provisions	22,435	(70,513)
	22,735	68,851
Cash Generated From Operations(B+C)	(2,804)	48,685
Less: Taxes (Paid)/Refund	-	72,960
Net Cash Flow From Operating Activities	(2,804)	121,645
B Cash Flow From Investing Activities		
Purchase of shares	-	(120,748)
Dividend income on Investment	1,625	325
	1,625	(120,423)
Net Cash Used In Investing Activities	(1,179)	1,222
C Net Cash Flow From Financing Activities		
Net Cash Generated /(Used) From Financing Activities	-	-
Net Changes In Cash & Cash Equivalents (A+B+C)	(1,179)	1,222
Cash & Cash Equivalents As At End Of Financial Year		
- Bank Balance	379	1,558
- Cash Balance	-	-
Less: Cash & Cash Equivalents qt the beginning of Year	1,558	336
Net Changes In Cash & Cash Equivalents	(1,179)	1,222

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 Jain Chowdhary & Co.
Chartered Accountants
 Firm Registration No. 113267 W
Siddharth Jain
Partner
Membership No.104709
 Place: Mumbai
 Date: 27th May 2019

For and on behalf of the Board
Milan R. Parekh
Director
 DIN : 00108368
Bakul R. Parekh
Director
 DIN : 00108609
 Place: Mumbai
 Date: 27th May 2019

Action Financial Services (India) Limited

Notes forming part of Financial Statements for the year ended 31st March 2019.

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. The company is yet to start 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.. Ind AS, would not be applicable to the company for the current financial year since applicability to the holding company would be effective FY 2019-20 and early adoption of Ind AS by holding company is not permitted as per the Companies (Ind AS) Rules, 2015 as amended in March 2016. 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 Accrual basis.
4. Dividend income is recognized on receipt basis.
5. Incomes from investing activities are recognized only when it is reasonably certain that the ultimate collection will be made.

d. Current / non-current classification

All assets and liabilities are classified into current and non-current.

Assets :

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 12 months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities :

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

e. Fixed Assets

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

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.

g. Impairment of Fixed Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication 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 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. 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.
- (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.

j. 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.

k. 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.

l. 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. Assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs

Action Financial Services (India) Limited

Notes to Financial Statements for the year ended 31st March 2019 (Contd.)

2 SHARE CAPITAL

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

Amount in Rs.

Particulars	Current Year	Previous Year
Authorized share capital 500,000 Equity Shares of Rs. 10 each (PY 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 (PY 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, 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 AND SURPLUS

Amount in Rs.

Particulars	Current Year	Previous Year
Surplus as per Statement of Profit & Loss		
Opening Balance	(320,688)	(307,300)
Add: Profit/(loss) for the year	(13,044)	(13,388)
Closing Balance	(333,732)	(320,688)

4 Other Current Liabilities

Particulars	Current Year	Previous Year
Statutory Liabilities	75	150
Others payables	37,511	15,000
Salary Payables	-	-
Total	37,586	15,150

5 Short term Provisions

Particulars	Current Year	Previous Year
Provision for Taxation (MAT Provision)	-	-
Total	-	-

Action Securities Limited
Notes to Financial Statements for the year ended 31st March 2019 (Contd.)

Note 6

Fixed Assets

Gross Block					Depreciation					Net Block	
Particulars	As at 01.04.2018	Additions	Deduction	Closing Balance	Upto 31.03.2018	For the Year	Deduction	Adjustment	Total 31.03.2019	As at 31.03.2019	As at 31.03.2018
Tangible Assets											
Computer	73,042	-	-	73,042	69,390	-	-	-	69,390	3,652	3,652
Total	73,042	-	-	73,042	69,390	-	-	-	69,390	3,652	3,652
Previous Year	73,042	-	-	73,042	69,390	-		-	69,390	3,652	

7 Non- Current Investment

Particulars	Current Year	Previous Year
Investment in Quoted Equity Instruments (Market Value Rs.81,653/-) Refer Note No. 19(a)	120,748	120,748
Total	120,748	120,748

8 Deferred tax Asset (Net)

Particulars	As at 31.03.2018	For the year	As at 31.03.2019
WDV differential	(938)	(10)	(948)
Unabsorbed Depreciation	17,651	173	17,824
Business Loss	32,542	10,707	43,249
Deferred tax Asset / (Liability) (Net)	49,255	10,870	60,125

9 Cash & bank Balances

Particulars	Current Year	Previous Year
Cash & Cash equivalents		
Balances with ICICI bank	379	1,558
Total	379	1,558

10 Short term loans and advances

Particulars	Current Year	Previous Year
Loans & Advances	-	-
Unsecured, considered good - employee loan	-	-
Advance Profession Tax	2,000	4,000
Total	2,000	4,000

11 Other Current Assets

Particulars	Current Year	Previous Year
Other Receivables from related parties	1,950	250
TDS receivables	15,000	15,000
Total	16,950	15,250

Action Financial Services (India) Limited

Amount in Rs.

12 Revenue from Operations

Particulars	Current Year	Previous Year
Professional Income	-	150,000
Total	-	150,000

13 Other Income

Particulars	Current Year	Previous Year
Interest on IT Refund	-	3,805
Dividend	1,625	325
Miscellaneous income	-	1,431
Total	1,625	5,561

14 Employee Benefits Expenses

Particulars	Current Year	Previous Year
Salary & wages	-	103,926
Contribution to provident Funds	900	9,030
Staff welfare Expenses	-	-
Total	900	112,956

15 FINANCE COSTS

Particulars	Current reporting period	Previous reporting period
Interest on Statutory Dues	-	9,565
Total	-	9,565

16 Other Expenses

Particulars	Current Year	Previous Year
Professional Fees	10,760	1,400
Professional Tax (Company)	2,000	2,000
Rent, Rates & Taxes	-	30,000
Auditors Remuneration	10,200	15,376
Other expense	1,679	301
Total	24,639	49,077

17. Contingent Liabilities and Commitments (to the extent not provided for):

There are no pending disputes as on 31st March, 2019 which the company believes would have material adverse effect on the results of operations, cash flow or the financial position of the company.

The company has no capital or other commitments as at year end.

18. Managerial Remuneration: NIL**19. Auditors Remuneration:**

Particulars	2018-19	2017-18
Audit Fees	7,500	15,000
Other Services	0	0
TOTAL	7,500	15,000

20. Borrowings: NIL**21. Investments:**

(a) The aggregate market value of quoted investments as at 31.03.2019 is Rs. 81,653/- (P.Y. 110,065/-) as against the total cost of Rs.120,748/- (P.Y. 120,748/-). In the opinion of management, the decline in value of Investment is temporary in nature and hence no adjustment is made.

(b) The scrip wise details of investment as at year end is as under:-

Particulars	As on 31st March 2019			As on 31st March 2018		
	No. of Shares	Face Value	Amount	No. of	Face Value	Amount
Sun TV Network Ltd	130	5	120,748	130	5	120,748
Total			120,748			120,748

(c) The company has permitted the holding company to pledge / create charge on its investments in shares and securities for availing Loans from banks and others and /or pledge these shares as security for exposure margin with IL& FS for trading in F& O and derivative segment.

Accordingly Action Financial Services (India) Ltd., the holding company, as at 31.03.2019, has pledged its entire Investments in shares and securities amounting to Rs. 1,20,748/- to avail ICDs and or as security for exposure

Action Financial Services (India) Limited

margin with PCM for trading in F& O and derivative segment. During the year, there has been no default by holding company in servicing these ICDS and in exposure margin.

- (d) Management has verified the investments during the year at reasonable intervals and also at the year end and no discrepancies have been noticed by the management of holding company on such verification. The management has received the confirmation in respect of companies investments pledged / charged by the holding company.

22. Employee Benefit:

There are no employees in the company at year end hence no provision is considered for Gratuity and leave salary.

23. Segment Reporting

Segment reporting is not applicable to the company as it has not started full-fledged activities.

24. 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	Professional fees Income : Rs.NIL (P.Y. Rs. 150,000/-) Rent Expenses : NIL (P.Y. Rs.30,000/-)
	Balances	Receivable – Rs.1,950/- (P.Y. Rs.250/-) Payable – Rs. 30,010/- (P.Y. Rs.NIL)
4.	Transaction with Key Management Personnel	NIL

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

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

(In Rupees)

Particulars	Current Year 31.03.2019	Previous Year 31.03.2018
Not later than one year	NIL	NIL
Later than one year and not later than five years	NIL	NIL
More than five years	NIL	NIL

26. Earnings per Share (EPS):

Sr. No.	Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
(A)	Profit / (Loss) attributable to Equity Shareholders (in Rs.) after tax	(13,044)	(13,388)
(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)	(0.26)	(0.27)

27. Provisions for Deferred Tax:**a) Income Tax:**

In view of the loss during the current year and brought forward unabsorbed losses available for set off, no provision for tax is considered.

b) Deferred Tax:

Deferred Tax has been considered on timing differences between book and

Action Financial Services (India) Limited

taxable profits. Component of Deferred Tax Assets/ (Liability) as at 31.03.2019 are as shown under note no. 7.

28. Trade Payables:

- 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.
- b) To the extent information is 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.
- c) As represented by the company, the company does not owe any sum to micro enterprises and small enterprises. Accordingly, the company has not made a separate disclosure under Trade Payables in Part I – Balance Sheet as required by the notification dated 04th September, 2015 pertaining to alterations in Schedule III issued by MCA.

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 has reviewed its long term contracts including in the nature of derivative contracts. There are no material foreseeable losses on such contracts.

31. Fixed Assets:

- a. Company has carried out physical verification of Fixed Assets during the year. There are no material discrepancies found on such verification.
- b. The company has tested its Fixed Assets for impairment as per “AS-28 Impairment of Fixed Assets”. There are no indications of impairment to the asset.

32. 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.

33. Due to rounding off, the numbers presented throughout the document may not add up precisely to the absolute figures. 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 Jain Chowdhary & Co.
Chartered Accountants
Firm Registration No. 113267 W

Siddharth Jain
Partner
Membership No.104709

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board

Milan R. Parekh
Director
DIN : 00108368

Bakul R. Parekh
Director
DIN : 00108609

Place: Mumbai
Date: 27th May 2019

DIRECTORS' REPORT

To,
The Members,
Action Commodities Limited,

Dear Members,

The Directors have pleasure in presenting the **10th Annual Report** together with the Audited Financial Statement for the year ended on **31st March, 2019**.

FINANCIAL RESULTS

	Year ended 31.3.2019	Year ended 31.3.2018
Revenue from operations & other Income	275218	386,158
Profit (Loss) before Depreciation	250957	(890,526)
Less: Depreciation	8000	8,000
Profit (Loss) After Depreciation & before Tax	242957	(882,526)
- Taxation Current Year		
- Taxation Earlier Year		-
- Deferred Tax	306166	101,048
Profit /(Loss) after tax	549123	(781,478)

STATEMENT OF AFFAIRS & 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 commodity membership which was cancelled by non fulfillment of requirements by the party from whom the membership was purchased, we had to write off the membership card value and it created a negative impact on financials.

DIVIDEND

The Board has not recommended any dividend for the year ended 31st March, 2019.

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, 2019 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 Profit of Rs. 549,123/- for the financial year 31st March 2019.

OVERVIEW

IRDA is planning to make it compulsory for Life, Medical & General Insurance policy holders to make it compulsory in near future. These 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. 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 on his/her evaluation.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors confirm 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) they had selected such accounting policies and applied them consistently and made judgements 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) they 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) they had prepared the annual accounts on a going concern basis; and
- (e) they 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) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Action Financial Services (India) Limited

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 7 days 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 5 (Five) times in financial year 2018-2019 and the maximum interval between any two meetings did not exceed 120 days as follows;

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
28.05.2018	10.08.2018	13.11.2018	31.01.2019
-	-	-	13.02.2019

The attendance of the directors in the Board Meetings during FY 2018-19 is as follows:

Name of Director	No. of Meeting held	No. of Meeting attended
Milan R. Parekh	5	5
Bakul R. Parekh	5	5
Sagar M. Parekh	5	5

AUDITORS

M/s Ambavat Jain & Associates LLP (Firm Registration No. 109681W), Chartered Accountants, Mumbai, were appointed as Statutory Auditors for a period of 5 consecutive years in the Annual General Meeting held on 29th September, 2017. M/s. Ambavat Jain & Associates LLP (Firm Registration No. 109681W), Chartered Accountants, Mumbai resigned as the statutory auditors of the company w.e.f. 28th January, 2019 due to pre-occupation with other assignments.

M/s. Jain Chowdhary & Co. (FRN: 113267W), Chartered Accountants, Mumbai was appointed as Statutory auditors of the company w.e.f. 31st January, 2019 to fill the casual vacancy caused by the resignation of M/s Ambavat Jain & Associates LLP and the same was approved by the members of the company in the Extra-ordinary General Meeting held on 26th April, 2019.

The Board of Directors of the Company at their meeting held on 27th May, 2019 has recommended the appointment M/s. Jain Chowdhary & Co. (FRN: 113267W), as the Statutory Auditors of the Company for the period of four (4) years pursuant to Section

139 of the Companies Act, 2013. Accordingly, the Board seeks approval of Members of the company for the appointment of Statutory Auditors as mentioned in the notice of the Annual General Meeting.

The Company has received letter from M/s. Jain Chowdhary & Co. 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 for the year ended 31st March, 2019 which requires any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the statutory auditor has not reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 (i) of the Companies Act, 2013, are not applicable to the business activities carried out by the company.

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 therefor 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 as **Annexure A**.

SECRETARIAL STANDARDS

The Company continues to comply with all the applicable Secretarial Standards.

PARTICULAR OF LOAN, GUARANTEES & INVESTMENT

The Company has not given any loan and guarantee and the investments made by the Company are given in the note 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. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and the same forms part of this report as **Annexure B**.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business within the meaning of Sections 134 (3) of the Companies Act, 2013 and sub rule 8(5) of the Companies (Accounts) Rules, 2014. The nature of the business of the Company continues to remain the same as previous year.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility are not applicable to the Company under section 135 of the Companies Act, 2013.

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.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE AUTHORITIES

During the year under review, there are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013

The Company has in place a Policy on Prevention of Sexual Harassment of Women Employees in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) under Section 4 of the Act could not be constituted as there were no employees in the company during the year under review.

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 of Directors

Milan R. Parekh
Chairman
(DIN: 00108368)

Place: Mumbai
Date: 27th May, 2019

Action Financial Services (India) Limited

ANNEXURE – A FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

[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	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 - 400 001, INDIA. Contact: 022-43654444, 022-43654446 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.	Other Financial Activities	66120	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associates	%Of Shares Held	Applicable Section
1.	Action Financial Services (India) Limited 46 & 47, 6th FLOOR, RAJGIR CHAMBERS, 12/14, SHAHID BHAGAT SINGH ROAD, OPP.OLD CUSTOM HOUSE, FORT MUMBAI Mumbai City MH 400001 IN	L65944MH1992PLC068879	Holding	100	2(46)

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

Action Financial Services (India) Limited

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	100,000	100,000	100	0	100,000	100,000	100	

(B) 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 RAMNIKLAL 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.	DISHA B. PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10	0	100	0.10	0	0
7.	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

Action Financial Services (India) Limited

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

Sr. No.		Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding during the year	
	Name	No. of Shares at the beginning	% of total shares of the Company	Date	Increase/ Decrease in share-holding	Reason	No. of Shares	% of total shares of the Company
1	ACTION FINANCIAL SERVICES (INDIA) LIMITED	99400	99.40		No Change		99400	99.40
	AT THE END OF THE YEAR						99400	99.40
2	MILAN R PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10		No Change		100	0.10
	AT THE END OF THE YEAR						100	0.10
3	BAKUL RAMNIKLAL PAREKH Jt. ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10		No Change		100	0.10
	AT THE END OF THE YEAR						100	0.10
4	NAYANA MILAN PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10		No Change		100	0.10
	AT THE END OF THE YEAR						100	0.10
5	KETKI BAKUL PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10		No Change		100	0.10
	AT THE END OF THE YEAR						100	0.10
6	DISHA B. PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10		No Change		100	0.10
	AT THE END OF THE YEAR						100	0.10
7	SAGAR MILAN PAREKH Jt. With ACTION FINANCIAL SERVICES (INDIA) LIMITED	100	0.10		No Change		100	0.10
	AT THE END OF THE YEAR						100	0.10

(D) Shareholding Pattern of top ten Shareholders: NIL**(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
	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: NIL

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
	At the End of the year	0		0	

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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: NA

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Milan Parekh	Mr. Bakul Parekh	Mr. Sagar Parekh	
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-Leave Encashment	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act				

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

Sr. No.	Particulars of Remuneration	Name of Directors		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: NA

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					

For and on Behalf of the Board

Milan R. Parekh
Chairman
(DIN: 00108368)

Place: Mumbai
Date: 27th May, 2019

ANNEXURE B
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contract/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into with related parties during the year ended March 31, 2019, which were not at arm's length basis.

Name (s) of the related party & nature of relationship	Nature of contracts /arrangements /transaction	Duration of the Contracts /arrangements /transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
NA	NA	NA	NA	NA	NA	NA	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.: NIL

Name (s) of the related party	Nature of relationship	Nature Of contracts /arrangements /transactions	Duration Of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transaction including the value, if any (Amt in Rs.)	Date of approval by the Board, if any	Amount paid as advances, if any
(a)		(b)	(c)	(d)	(e)	(f)
NA	NA	NA	NA	NA	NA	NA

Place: Mumbai
Date: 27th May, 2019

For and on Behalf of the Board
Milan R. Parekh
Chairman
(DIN: 00108368)

INDEPENDENT AUDITOR'S REPORT

To
The Members of
ACTION COMMODITIES LTD

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the accompanying standalone financial statements of **Action Commodities Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (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 March 31, 2019, and profit, and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with Standards on Auditing (SAs) specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance

conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

4. Responsibilities of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Standards and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone

financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls. In the extant case, the provisions of section 143(3)(i) is not applicable to the Company and hence we will not express opinion on the same.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the

effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" 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:
 - a. 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;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid 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 written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are

Action Financial Services (India) Limited

disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. **(Refer to our report in Annexure “B”)**
- g. 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 did not have any pending litigation as on 31 March 2019
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ending 31 March 2019;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during year ended 31 March 2019;

For Jain Chowdhary & Co.
Chartered Accountants
FR No. 113267W

Siddharth Jain
Partner
M.No.104709

Place: Mumbai
Date: 27th May 2019

Annexure-A

As referred to in Paragraph 5(1)(a) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Action Commodities Limited on the financial statements for the year ended 31 March 2019.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified by the management during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such physical verification.
- (c) The Company did not own any immovable property during the financial year ended 31 March 2019.
- ii. The company does not have any stock of Raw materials, stores, spares parts and finished goods. Hence, Clause (ii) of the Order is not applicable.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has not granted any loan or given guarantees or provided any securities during the year as per the provisions of Sections 185 and 186. In respect of investments made, the Company has complied with the provisions of Section 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- vi. The Central Government of India has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the services rendered by the Company.
- vii. According to the records of the Company, examined by us and information and explanations given to us:
 - a) Undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
 - b) There are no disputed dues of income tax or sales tax or service tax, goods and service tax, duty of customs, duty of excise or value added tax outstanding as at 31 March 2019.

Action Financial Services (India) Limited

- viii. The Company does not have any loans or borrowings from any banks, financial Institutions, government or debenture holders during the year. Accordingly paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the records of the Company examined by us, and information and explanations given to us, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Jain Chowdhary & Co.

Chartered Accountants

FR No. 113267W

Siddharth Jain

Partner

M.No.104709

Place: Mumbai

Date: 27th May 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 8(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Action Commodities Limited of even date)

1. Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ACTION COMMODITIES LIMITED (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial

reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

4. Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5. Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For and on behalf of
Jain Chowdhary & Co.
Chartered Accountants
FR No.113267W**

**Siddharth Jain
Partner
M.No.104709**

Dated: 27th May 2019
Place: Mumbai

Action Financial Services (India) Limited

Action Commodities Limited BALANCE SHEET AS AT 31ST MARCH 2019

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	7,269,866	6,720,741
		8,269,866	7,720,741
Current liabilities			
Trade payables		-	-
Other current liabilities	4	7,575	15,075
		7,575	15,075
TOTAL		8,277,441	7,735,816
ASSETS			
Non-current assets			
Fixed assets	5		
Tangible assets		9,250	9,250
Intangible assets		6,027	14,027
		15,277	23,277
Non-current investments	6	6,914,543	6,914,543
Deferred tax assets (net)	7	702,341	396,175
Long-term loans and advances	8	75,000	75,000
		7,707,161	7,408,994
Current assets			
Cash and Bank Balances	9	2,579	2,579
Other current assets	10	567,701	324,243
		570,280	326,822
TOTAL		8,277,441	7,735,816

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 Jain Chowdhary & Co.
Chartered Accountants
Firm Registration No. 113267 W

Milan R. Parekh
Director
DIN : 00108368

Siddharth Jain
Partner
Membership No.104709

Bakul R. Parekh
Director
DIN : 00108609

Place: Mumbai
Date: 27th May 2019

Place: Mumbai
Date: 27th May 2019

Action Commodities Limited
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Note No.	Current Year Rs	Previous Year Rs
Revenue			
Revenue from operations	11	-	70,000
Other income	12	275,218	316,158
Total		275,218	386,158
Expenses			
Employee benefits expense	13	900	95,035
Finance costs	14	-	8,661
Depreciation and amortization expense	5	8,000	8,000
Other Expenses	15	23,360	1,156,988
Total		32,260	1,268,684
Profit/(loss) before tax		242,957	(882,526)
Tax expense:			
Prior period tax adjustment		-	-
Deferred tax	7	306,166	101,048
Profit/ (Loss) for the year		549,123	(781,478)
Earnings per equity share of Rs. 10 each:			
Basic/ diluted		5.49	(7.81)

Significant Accounting Policies
Notes to Accounts

1
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 Jain Chowdhary & Co.
Chartered Accountants
Firm Registration No. 113267 W

Milan R. Parekh
Director
DIN : 00108368

Siddharth Jain
Partner
Membership No.104709

Bakul R. Parekh
Director
DIN : 00108609

Place: Mumbai
Date: 27th May 2019

Place: Mumbai
Date: 27th May 2019

Action Financial Services (India) Limited

Action Commodities Limited CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Current Year Rs.	Previous Year Rs.
A. Cash Flow From Operating Activities:		
Profit / (Loss) Before Tax	242,957	(882,526)
Add/(Less) Non-Cash And Non-Operating Items		
Fixed Assets Written off	-	1,121,330
Depreciation	8,000	8,000
Dividend Income on investments	(275,218)	(313,318)
Interest on Income Tax Refund	-	(2,840)
B. Operating Profit / (Loss)Before Working Capital Changes	(24,261)	(69,354)
C. Changes In Working Capital		
(Increase) / Decrease In Current Assets, Loans and Advances	(250,457)	127,030
Increase / (Decrease) In Current Liabilities & Provisions	(7,500)	(128,444)
D. Cash Generated From Operations(B+C)	(282,218)	(70,769)
E. Less: Taxes Paid / (Refund)	(7,000)	(65,840)
F. Net Cash Flow From Operating Activities	(275,218)	(4,929)
G. Cash Flow From Investing Activities		
(Purchase)/sales of investment (net)	-	(306,510)
Dividend Income on investments	275,218	313,318
H. Net Cash Generated from Investment Activities	275,218	6,808
I. Net Cash Flow From Financing Activities	-	-
Net Cash Generated /(Used) From Financing Activities	-	-
J. Net Changes In Cash & Cash Equivalents (F+H+I)	-	1,879
K. Cash & Cash Equivalents As At End Of Financial Year		
- Bank Balance	2,579	2,579
- Cash Balance	-	-
Less: Cash & Cash Equivalents at beginning of Year	2,579	700
Net Changes In Cash & Cash Equivalents	0	1,879

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 Jain Chowdhary & Co.

Chartered Accountants

Firm Registration No. 113267 W

Siddharth Jain

Partner

Membership No.104709

Place: Mumbai

Date: 27th May 2019

For and on behalf of the Board

Milan R. Parekh

Director

DIN : 00108368

Bakul R. Parekh

Director

DIN : 00108609

Place: Mumbai

Date: 27th May 2019

Notes forming part of Financial Statements for the year ended 31st March 2019.**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 is to carry on business of broker, sub-broker, arbitrage and hedgers and to participate in trading settlement and other activities relating to commodity exchange for itself and or for its clients, 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. IndAS, would not be applicable to the company for the current financial year since applicability to the holding company would be effective . FY 2019-20 and early adoption of IndAS by holding company is not permitted as per the Companies (Ind AS) Rules, 2015 as amended in March 2016.. 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 Accrual basis.
4. Dividend income is recognized on receipt basis.
5. Incomes from investing activities are recognized only when it is reasonably certain that the ultimate collection will be made.

d. Current / non-current classification

All assets and liabilities are classified into current and non-current.

Assets :

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 12 months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities :

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

e. Fixed Assets

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

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. In the opinion of the company MCX membership would not depreciate in value as such, no depreciation is considered for MCX membership.

g. Impairment of Fixed Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. 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 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 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.

j. 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.

k. 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.

I. 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.

m. 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.

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. 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. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs

Notes to Financial Statements for the year ended 31st March 2019

2 SHARE CAPITAL**(a) Details of shares authorised, issued, subscribed & paid up**

Particulars	Rs Current year	Rs Previous Year
Authorized share capital 100,000 Equity Shares of Rs. 10 each (P. Y. 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 (P. Y. 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

- 1 All 100,000 Equity Shares are held by the holding company viz. Action Financial Services (India) Ltd and its nominees.
- 2 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

Action Financial Services (India) Limited

- (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	Rs Current year	Rs 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	(779,257)	2,220
Add: Profit/(loss) for the year	549,123	(781,479)
Closing Balance	(230,134)	(779,259)
c. Total Reserves & Surplus (a+b)	7,269,866	6,720,741

4 Other Current Liabilities

Particulars	Current year	Previous Year
Statutory Liabilities	75	75
Others payables	7,500	15,000
Total	7,575	15,075

Action Commodities Limited
Notes to Financial Statements for the year ended 31st March 2019 (Contd.)

Note 5

Fixed Assets

Amount in Rs

Gross Block					Depreciation				Net Block	
Particulars	As at 01.04.2018	Additions	Deduction	Closing Balance	Upto 31.03.2018	For the Year	Deduction	Total	As at 31.03.2019	As at 31.03.2018
Tangible Assets										
Computer	185,000			185,000	175,750	-	-	175,750	9,250	9,250
Sub Total	185,000	-	-	185,000	175,750	-	-	175,750	9,250	9,250
Intangible Assets										
Membership Card	-		-	-	-	-	-	-	-	1,121,330
Computer Software	40,000	-		40,000	25,973	8,000	-	33,973	6,027	22,027
Sub Total	40,000	-	-	40,000	25,973	8,000	-	33,973	6,027	1,143,357
Total	225,000	-	-	225,000	201,723	8,000	-	209,723	15,277	1,152,607
Previous Year	225,000	-		225,000	201,723	8,000	-	209,723	15,277	

6 Non-current investments

Particulars	Current year	Previous Year
Investment in Quoted Equity Instruments (Market Value Rs.15,950,247/-) Refer Note No. 21	6,914,543	6,914,543
Total	6,914,543	6,914,543

7 Deferred tax Asset / (Liability) (Net)

Particulars	As at 31.03.2018	For the year	As at 31.03.2019
WDV differential	(2,170)	1,097	(1,073)
Unabsorbed Depreciation	172,198	2,974	175,172
Business Loss	210,697	302,095	512,792
Short Term Loss	15,450	-	15,450
Deferred tax Asset / (Liability) (Net)	396,175	306,166	702,341

8 Long -Term Loans & Advances

Particulars	Current year	Previous Year
Security Deposits	75,000	75,000
Other Loans and Advances	-	-
Total	75,000	75,000

9 Cash & bank Balances

Particulars	Current year	Previous Year
Balances with Bank	2,579	2,579
Total	2,579	2,579

10 Other current assets

Particulars	Current year	Previous Year
TDS Receivable	7,000	7,000
Prepaid Expenses	2,000	4,000
Other Receivables from related parties	558,701	313,243
Total	567,701	324,243

11 Revenue from Operations

Particulars	Current year	Previous Year
Professional Income	-	70,000
Total	-	70,000

12 Other Income

Particulars	Current year	Previous Year
Dividend Income	275,218	313,318
Write Back of Expenses	-	-
Interest on Income Tax	-	2,840
Total	275,218	316,158

13 Employee Benefits Expenses

Particulars	Current year	Previous Year
Salary & wages	-	87,331
Contribution to provident Funds	900	7,504
Staff Incentives	-	200
Staff welfare Expenses	-	-
Total	900	95,035

Action Financial Services (India) Limited

14 Finance Expenses

Particulars	Current year	Previous Year
Interest on Statutory Dues	-	8,661
Total	-	8,661

15 Other Expenses

Particulars	Current year	Previous Year
Professional Fees	10,760	1,400
Professional Tax (Company)	2,000	2,000
Rent	-	20,000
Auditors Remuneration	10,200	15,376
Fixed Assets Written off	-	1,118,212
Miscellaneous Expenses	-	-
ROC Filling fees	400	-
Total	23,360	1,156,988

Note Forming part of financial statement for the year ended 31st March, 2019.

16. Contingent Liabilities: NIL

There are no pending disputes as on 31st March, 2019 which the company believes would have material adverse effect on the results of operations, cash flow or the financial position of the company.

17. Capital Commitments: NIL

18. Managerial Remuneration: NIL

19. Auditors Remuneration:

Particulars	2018-19	2017-18
Audit Fees	7,500	15000
Other Services	NIL	NIL
TOTAL	7,500	15,000

20. Unsecured Loans: NIL**21. Investments:**

(a) The aggregate market value of quoted investments as at 31.03.2019 is Rs. 15,950,247/- (P.Y. Rs.21,011,987/-) as against the total cost of Rs. 69,14,543/- (P.Y.Rs. 69,14,543 /-).

(b) The scrip wise details of investment as at year end is as under:-

Particulars	As on 31st March 2019			As on 31st March 2018		
	No. of Shares	Face Value	Amount	No. of Shares	Face Value	Amount
Continental Controls Ltd	46,124	10	184,957	46,124	10	184,957
PVP Vent Ltd	500	10	7,030	500	10	7,030
Bharat Electronics	99,330	1	2,876,045	90,030	1	2,876,045
Tata Global	25,000	1	3,540,000	25,000	1	3,540,000
Sun TV Network Ltd	330	5	306,511	330	5	306,511
Total			6,914,543			6,914,543

(c) The company has permitted the holding company to pledge / create charge on its investments in shares and securities for availing Loans from banks and others and /or pledge these shares as security for exposure margin with IL& FS for trading in F& O and derivative segment.

Action Financial Services (India) Limited

Accordingly Action Financial Services (India) Ltd., the holding company, as at 31.03.2019, has pledged its entire Investments in shares and securities amounting to Rs. 69,14,543/- to avail ICDs and or as security for exposure margin with PCM for trading in F& O and derivative segment. During the year, there has been no default by holding company in servicing these ICDS and in exposure margin.

(d) Management has verified the investments during the year at reasonable intervals and also at the year end and no discrepancies have been noticed by the management of holding company on such verification.

(e) The management has received the confirmation in respect of companies investments pledged / charged by the holding company.

22. Employee Benefit:

There are no employees in the company at the end of year hence no provision is considered for Gratuity and leave salary.

23. Segment Reporting

Segment reporting is not applicable to the company as it has not started full-fledged activities.

24. As per Accounting Standard 18, the disclosures of transaction with the related parties 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 Expense: Rs.NIL/- (P.Y. Rs.20,000/-) Professional Fees Income: Rs.NIL/- (P.Y. Rs 70,000/-)
	Balances with Holding Company	Deposit: Rs. 75,000/- (P.Y. Rs. 75,000/-) Receivable Rs.5,88,536/- (P.Y.3,13,243/-) Payable Rs. 29,835/- (P.Y. Rs.NIL)
4.	Transaction with Key Management Personnel	NIL

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

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

(In Rupees)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Not later than one year	NIL	NIL
Later than one year and not later than five years	NIL	NIL
More than five years	NIL	NIL

26. Earning Per Share (EPS):

S. No.	Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
(A)	Profit / (Loss) attributable to Equity Shareholders after tax. (in Rs.)	5,49,123	(7,81,479)
(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 Earnings Per Share (in Rs.) (A/C)	5.49	(7.81)

27. Provisions for Deferred Tax:**a) Income Tax:**

In view of unabsorbed losses and also exempt Dividend income in current financial year no provision for tax is required.

b) Deferred Tax

Deferred Tax has been considered on timing differences between book and taxable profit. Components of Deferred Tax Assets/ (Liability) as at 31.03.2019 are as shown under note no. 4.

28. Trade Payables:

- 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.
- b) To the extent information is 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.
- c) As represented by the company, the company does not owe any sum to micro enterprises and small enterprises. Accordingly, the company has not made a separate disclosure under Trade Payables in Part I – Balance Sheet as required by the notification dated 04th September, 2015 pertaining to alterations in Schedule III issued by MCA.

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

30. Fixed Assets:

- a. The company had acquired the MCX Membership card in earlier years. Pending completion of procedural formalities business under the card was not commenced. During the year, the period for compliance elapsed, in view of which the company has written off the amount capitalized towards acquisition of MCX Membership card.
- b. Company has carried out physical verification of Fixed Assets during the year. There are no material discrepancies found on such verification.
- c. The company has tested its Fixed Assets as at year end for impairment as per "AS-28 Impairment of Fixed Assets". There are no indications of impairment to the assets.
- d. The company has changed its method of depreciation from WDV to straight line to be in line with the method followed by the holding company. There being no tangible fixed assets to be depreciated, the change in method has no impact on the profit / loss for the year.

31. Long term contracts and derivatives contracts:

The Company has reviewed its long term contracts including in the nature of derivative contracts. There are no material foreseeable losses on such contracts.

32. 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.

33. Due to rounding off, the numbers presented throughout the document may not add up precisely to the absolute figures. 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 Jain Chowdhary & Co.
Chartered Accountants
Firm Registration No. 113267 W

Milan R. Parekh
Director
DIN : 00108368

Siddharth Jain
Partner
Membership No.104709

Bakul R. Parekh
Director
DIN : 00108609

Place: Mumbai
Date: 27th May 2019

Place: Mumbai
Date: 27th May 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of
ACTION FINANCIAL SERVICES (INDIA) LTD

Report on the Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying Consolidated financial statements of **Action Financial Services (India) Limited ("the Company")** and its subsidiary companies, which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, and the consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 March 31, 2019, and profit, and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with Standards on Auditing (SAs) specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our

auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

4. Responsibilities of Management for Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated 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 Standards and other accounting principles generally accepted in India. 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls. In the extant case, the provisions of section 143(3)(i) is not applicable to the Company and hence we will not express opinion on the same.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of

a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, 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 purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid 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 written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

Action Financial Services (India) Limited

- f. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. **(Refer to our report in Annexure “A”)**
- g. 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 did not have any pending litigation as on 31 March 2019
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ending 31 March 2019;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during year ended 31 March 2019;

For Jain Chowdhary & Co.
Chartered Accountants
FR No. 113267W

Siddharth Jain
Partner
M.No.104709

Place: Mumbai
Date: 27th May 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 9(e) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Action Financial Services (India) Limited of even date)

1. Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ACTION FINANCIAL SERVICES LTD (“the Company”) and its subsidiary companies (the company and its subsidiary companies together referred as ‘the group’) as of March 31, 2018 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

2. Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial

reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

4. Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5. Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
Jain Chowdhary & Co.
Chartered Accountants
FR No.113267W

Siddharth Jain
Partner
M.No.104709

Dated: 27th May 2019
Place: Mumbai

Action Financial Services (India) Limited

Action Financial Services (India) Limited CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019

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	121,526,704	119,106,703
		254,851,704	252,431,703
Non-current liabilities			
Long-term borrowings	4	1,066,572	1,066,572
Other Long term liabilities	5	10,527,039	10,880,241
Long-term provisions	6	2,397,914	6,546,383
		13,991,525	18,493,196
Current liabilities			
Short-term borrowings	7	46,723,716	43,265,397
Trade payables		42,777,859	72,029,896
Other current liabilities	8	7,561,328	5,160,485
Short-term provisions	9	4,226,527	1,875,910
		101,289,429	122,331,688
Total Equity & Liabilities		370,132,658	393,256,587
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		5,874,624	6,234,586
Intangible assets		6,026	670,257
		5,880,650	6,904,843
Non-current investments	11	73,502,906	59,546,586
Deferred tax assets (net)	12	4,477,536	4,047,484
Long-term loans and advances	13	9,009,177	8,636,677
Other non-current assets	14	1,134,836	24,534,836
		94,005,105	103,670,426
Current assets			
Inventories	15	193,517,799	201,800,539
Trade receivables	16	28,178,129	63,634,657
Cash and Bank Balance	17	36,362,334	6,767,444
Short-term loans and advances	18	6,335,596	5,824,612
Other current assets	19	11,733,695	11,558,907
		276,127,553	289,586,161
Total Assets		370,132,658	393,256,587

Significant Accounting Policies

1

Notes to Accounts

2-49

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 Jain Chowdhary & Co.

Milan R Parekh

Chartered Accountants

Chairman & Managing Director

Firm Registration No. 113267 W

DIN: 00108368

Bakul R Parekh

Siddharth Jain

Joint Managing Director & CFO

Partner

DIN: 00108609

Membership No.104709

CS. Siddheshwar Thorat

Company Secretary

ACS: A57378

Place: Mumbai

Place: Mumbai

Date: 27th May 2019

Date: 27th May 2019

Action Financial Services (India) Limited
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Note No.	Current Year Rs	Previous Year Rs
Revenue			
Revenue from operations	20	40,325,230	34,541,009
Other income	21	5,740,531	9,773,239
Total Revenue		46,065,761	44,314,248
Expenses			
Employee benefits expense	22	13,526,092	15,536,396
Finance costs	23	8,005,898	8,938,921
Depreciation and amortization expense	10	1,407,112	3,583,044
Other expenses	24	21,136,707	22,967,019
Total Expenses		44,075,809	51,025,380
Profit / (Loss) before exceptional and extraordinary items and tax		1,989,952	(6,711,132)
Prior Period Expenses	25	-	-
Profit before extraordinary items and tax		1,989,952	(6,711,132)
Extraordinary Items		-	-
Profit / (Loss) before tax		1,989,952	(6,711,132)
Less: Tax expense			
Current tax		-	-
Less : Mat credit entitlement	-	-	-
Earlier Tax (Excess Provision Written off)			15,655
Net current tax			
Deferred tax	12	(430,051)	1,334,754
Profit / (Loss) for the Year		2,420,003	(8,030,231)
Earnings per equity share of Rs. 10 each:			
(1) Basic		0.13	(0.71)
(2) Diluted		0.13	(0.71)

Significant Accounting Policies

1

Notes to Accounts

2-49

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 Jain Chowdhary & Co.**Milan R Parekh****Chartered Accountants****Chairman & Managing Director**

Firm Registration No. 113267 W

DIN: 00108368

Bakul R Parekh**Siddharth Jain****Joint Managing Director & CFO**

Partner

DIN: 00108609

Membership No.104709

CS. Siddheshwar Thorat**Company Secretary**

ACS: A57378

Place: Mumbai

Place: Mumbai

Date: 27th May 2019

Date: 27th May 2019

Action Financial Services (India) Limited

Action Financial Services (India) Limited. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Year ended 31.03.2019 Rs.	Year ended 31.03.2018 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	1,989,952	(6,711,132)
Depreciation	1,407,112	3,583,044
Leave Encashment wrtitten Back	(12,569)	(46,279)
Fixed Asset Written off	-	1,121,330
Provision for Non Performing Assets	5,006,373	5,244,595
Loss on sale of Fixed Assets	-	-
Interest and Dividend Income	(3,541,399)	(2,622,344)
(Profit)/ Loss on sale of Investments	94,951	(6,123,084)
Interest on IT refund	-	(6,645)
Interest Expenditure	8,005,898	8,938,921
Tax Deducted at Source	-	-
Operating Profit before Working Capital Changes	12,950,318	3,378,405
Loan and Advances	(883,484)	(2,149,578)
Trade Receivables	30,450,155	(2,538,410)
Other current /Non current assets	23,225,211	(20,388,966)
Inventories	8,282,740	644,059
Trade payables	(29,239,468)	14,252,614
Other Payables (Exluding Current tax Provision)	602,990	(6,694,987)
Cash Generated from Operations	45,388,462	(13,496,864)
Direct Taxes Paid (Net)	-	(226,586)
Net Cash from Operating Activities [A]	45,388,462	(13,723,450)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) of Fixed Assets	(382,919)	(77,250)
Proceeds from sale of fixed assets	-	-
Proceeds from sale of Fixed Assets	-	-
(Purchase) / Sale Of Investments (Net)	(13,956,320)	(8,605,491)
Dividend Received	1,112,166	1,067,118
Profit/ (Loss) on sale of Investments	(94,951)	6,123,084
Investment in Fixed deposit	(34,591,090)	24,174,838
Interest Received	2,429,233	1,561,871
Net Cash used in Investing Activities [B]	(45,483,881)	24,244,170
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Borrowing (Net) short term	3,458,319	3,981,439
Proceeds from Long term Borrowings	(353,203)	(298,184)
Interest paid	(8,005,898)	(8,938,921)
Net Cash from Financing Activities [C]	(4,900,782)	(5,255,666)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	(4,996,201)	5,265,055
Cash and cash equivalents as at 1st April (Opening)	6,333,535	1,068,480
Net increase / (decrease) in cash and cash equivalents	(4,996,201)	5,265,055
Cash and cash equivalents as at 31st March (Closing)	1,337,334	6,333,535
Notes:		
i) Cash and Cash Equivalents include:		
Balances with Schedule Banks on Current Accounts	542,363	6,200,223
Cash in Hand	794,971	133,312
	1,337,334	6,333,535
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.		
iv) Previous year's figures regrouped /reclassified wherever required.		

As per our report of even date
For Jain Chowdhary & Co.
Chartered Accountants
Firm Registration No. 113267 W

Siddharth Jain
Partner
Membership No.104709

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board
Milan R Parekh
Chairman & Managing Director
DIN: 00108368
Bakul R Parekh
Joint Managing Director & CFO
DIN: 00108609
CS: Siddheshwar Thorat
Company Secretary
ACS: A57378
Place: Mumbai
Date: 27th May 2019

Consolidated Notes forming part of financial statement for the year ended 31st March 2019.

1. Significant Accounting Policies and Corporate Information

Corporate Information

Action Financial Services (India) Limited is a public Company listed on 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. With respect to the applicability of IndAS the company is advised that being stock broker it is covered in NBFC category for transition to Ind As. Accordingly IndAS accounting standard would be applicable to the company wef FY 2019-20 and early adoption of IndAS is not permitted. 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 Accrual basis.
- iv. Dividend income is recognized on receipt basis.
- v. Incomes from investing activities are recognized only when it is reasonably certain that the ultimate collection will be made.

e. Current / non-current classification

All assets and liabilities are classified into current and non-current.

Assets :

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 12 months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities :

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity

instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

f. Fixed Assets

Tangible & Intangible Assets

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

g. 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.

h. 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. Application software is capitalized as Intangible Asset amortized over estimated useful life or before obsolescence, whichever is earlier.

i. Impairment of Fixed Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. 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.

j. 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.

k. 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.

l. 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.

m. 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.

n. 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.

o. 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 non-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.

p. 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 not recognised in the financial statements. However, contingent assets are assessed at regular intervals and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs

Action Financial Services (India) Limited

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Notes to Financial Statements for the year ended 31st March 2019

2 Details of 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		
Non-Cumulative Preferences Shares of		
Rs.100/- each	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		
Non-Cumulative Preferences Shares of		
Rs.100/- each fully - paid	8,280,000	8,280,000
	133,325,000	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

NOTES:

The preference share holders have agreed for extension of redemption date for preference shares upto 31.03.2024 and has also agreed for waiver of Arrears of dividend upto 31.03.2017. The preference share holders have further agreed to change the term to make preference shares Non cumulative from 1.04.2017. The company has filed necessary Board resolution with MCA .

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 2019		As at 31st March 2018		
	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					
BMA Wealth Creators Ltd.	730,025	5.84	730,025	5.84	
Savi Portfolio Management Services Ltd.	13,00,000	10.40	13,00,000	10.40	
TOTAL	67,47,970	53.96	67,47,970	53.96	
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.

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	17,960,000	17,960,000
Closing Balance	17,960,000	17,960,000
d. Surplus as per Statement of Profit & Loss		
Opening Balance	(8,677,999)	(342,688)
Add: Profit	2,420,003	(8,030,231)
Add: Adjustment of eariler income tax	-	-
Less: Adjustment of Depreciatio nas per New Company's Act	-	-
Less: Tax on Distributed Profit		
Current year Surplus / (Loss)	2,420,003	(8,030,231)
Closing Balance	(6,257,996)	(8,372,919)
Total Reserves & Surplus	121,526,704	119,411,781

Notes:

1. Capital Redemption Reserve represents Reserve created on redemption of 101,200 Preference shares in 2008.
2. Capital Reserve represents forfeited amount of 11,90,000 warrants in year 2010, 125,000 warrants in year 2011 and 12,30,000 warrants in 2014.

4 LONG -TERM BORROWINGS

Particulars	Current Year	Previous Year
Payables under finance lease obligations	1,066,572	1,364,756
Less: Current maturities of finance lease obligations disclosed under Other Current Liabilities	-	(298,184)
Total	1,066,572	1,066,572

5 Other Long term Liabilites

Particulars	Current Year	Previous Year
Deposit from Clients	8,839,971	9,043,173
Other Deposit Recevied	1,687,068	1,837,068
Total	10,527,039	10,880,241

6 Long - term Provisions

Particulars	Current Year	Previous Year
Contigent Provision aganist Standard Assets	538,688	538,688
Provison for gratuity	1,721,264	5,678,742
Provisoin for leave benefits	137,962	328,953
Total	2,397,914	6,546,383

7 Short Term Borrowings

Particulars	Current Year	Previous Year
Loans repayable on demand from Banks (Secured)	15,183,143	19,612,129
Inter corporate deposit (Secured)	31,540,572	23,653,268
Total	46,723,716	43,265,397

8 Other Current Liabilities

Particulars	Current Year	Previous Year
Others Loans & Advances	-	-
Current maturities of finance lease obligations	-	298,184
Others payables	7,171,551	4,103,636
Statutory Liabilities	273,257	336,118
Provision for option premium	116,519	392,322
Payable to related parties	-	-
Total	7,561,328	5,130,260

9 Short term Provisions

Particulars	Current Year	Previous Year
Provision for Gratuity	2,361,733	43,668
Provision for leave benefits	144,164	111,612
Provision for Taxation	1,720,630	1,720,630
Total	4,226,527	1,875,910

Action Financial Services (India) Limited

Notes to Financial Statements for the year ended 31st March 2019 (Contd.)

Note 10

Fixed Assets

Particulars	Gross Block				Description				Net Block	
	As at 01.04.2018	Additions	Disposal	Closing Balance	Upto 01/04/2018	For the Year	Withdrawn	Total	As at 31.03.2019	As at 31.03.2018
Tangible Assets										
Office Premises	4,753,525	-	-	4,753,525	1,847,792	222,338	-	2,070,130	2,683,395	2,905,733
Lease Hold Improvement	874,267	-	-	874,267	802,409	71,858	-	874,267	-	71,858
Furniture & Fixtures	1,678,055	-	-	1,678,055	1,468,277	32,207	-	1,500,484	177,571	209,778
Vehicles	2,238,890	-	-	2,238,890	277,522	265,868	-	543,390	1,695,500	1,961,368
Office Equipments	484,364	307,619	-	791,983	245,090	70,213	-	315,303	476,680	239,274
Server	7,562,919	-	-	7,562,919	7,184,775	-	-	7,184,775	378,144	378,144
Computer	1,417,003	75,300	-	1,492,303	948,572	80,397	-	1,028,969	463,334	455,529
Sub Total	19,009,023	382,919	-	19,391,941	12,774,437	742,881	-	13,517,318	5,874,624	6,221,684
Intangible Assets										
Goodwill	12,918,645	-	-	12,918,645	12,918,645	-	-	12,918,645	-	-
Computer Software	7,647,931	-	-	7,647,931	6,977,674	664,231	-	7,641,905	6,026	656,230
Sub Total	20,566,576	-	-	20,566,576	19,896,319	664,231	-	20,560,550	6,026	656,230
Total	39,575,599	382,919	-	39,958,517	32,670,756	1,407,112	-	34,077,868	5,880,650	6,877,914
Previous Year	38,401,966	2,484,133	1,685,792	39,200,307	26,014,736	4,014,172	1,204,309	32,399,643	6,877,914	10,375,708

Action Financial Services (India) Limited

11 Non- Current Investment

Particulars	Current Year	Previous Year
Unquoted Equity Instruments		
1. Investment in wholly owned Subsidiaries		
2. BGSE Shares	1,229,609	1,229,609
3. BSE Shares	-	-
4. Others	100,000	100,000
	1,329,609	1,329,609
Quoted Equity Instruments		
Equity Instruments (Market value Rs. 79,087,814/-)	72,173,297	58,216,977
Total	73,502,906	59,546,586

12 Deferred Tax Assets (Net)

Particulars	As at 01.04.2018	For the year	As at 31.03.2019
WDV differential	(745,344)	208,581	(536,763)
Retirement benefits	1,586,966	(452,034)	1,134,932
Unabsorbed Depreciation	671,113	201,763	872,877
Business Loss	2,259,639	558,202	2,817,841
Short Term Loss	275,110	(86,461)	188,649
Net Deferred tax Asset / (Liability)	4,047,484	430,051	4,477,536

13 Long -Term Loans & Advances

Particulars	Current Year	Previous Year
Security Deposits		
Secured, Considered good	9,009,177	8,636,677
Total	9,009,177	8,636,677

14 Other non- current assets

Particulars	Current Year	Previous Year
Fixed Deposits having maturities after 12 month from balance sheet date & held as margin money	-	23,400,000
Advances towards MCX Membership	1,134,836	1,134,836
Total	1,134,836	24,534,836

15 Inventories

Particulars	Current Year	Previous Year
Shares as at 31.03.2019 valued at Cost or Market value, whichever is lower.	193,517,799	201,800,539
Total	193,517,799	201,800,539

16 Trade receivables

Particulars	Current Year	Previous Year
Receivables outstanding for more than 6 months from the due date		
Unsecured, considered good	19,698,574	18,144,277
Less : Provision for Non- Performing Debtors	(12,572,974)	(6,674,345)
	7,125,600	11,469,932
Others		
Unsecured, Considered good	21,052,529	52,164,725
Total	28,178,129	63,634,657

17 Cash & bank Balances

Particulars	Current Year	Previous Year
Cash & Cash equivalents		
Balances with bank	542,363	6,200,223
Cash on hand	794,971	133,312
	1,337,334	6,333,535
Other bank balance		
FD held having maturity less than 12 mths from balance sheet date held as margin money	35,025,000	433,910
	35,025,000	433,910
Total	36,362,334	6,767,445

18 Short term loans and advances

Particulars	Current Year	Previous Year
Loans and advances to related parties		
Unsecured, Considered good	150,750	-
	150,750	-
Others		
Unsecured, Considered good		
Employee Loan	44,719	82,553
Prepaid Expenses	357,207	383,639
Others	5,782,920	5,350,420
	6,184,846	5,816,611
Total	6,335,596	5,816,611

19 Other current assets

Particulars	Current Year	Previous Year
Interest Accrued on Deposits	374,194	565,283
Advance Tax Paid	9,087,824	9,087,824
Tax Deducted at Source	2,271,678	1,883,800
Total	11,733,695	11,536,907

20 Revenue from Operations

Particulars	Current Year	Previous Year
1. Revenue from Services		
Income from broking activities	9,876,661	12,530,388
Income from depository Services	2,891,289	6,608,177
	12,767,950	19,138,566
2. Other operating revenue		
Profit on Derivatives	5,624,620	7,087,121
Profit on sale of securities (Net)	21,932,659	8,315,321
	27,557,279	15,402,443
Total	40,325,230	34,541,008

21 Other Income

Particulars	Current Year	Previous Year
Interest income	2,429,233	1,555,226
Miscellaneous income	676,455	673,456
Gain or loss on sale of investments (Net)	(94,951)	6,123,084
Dividend Income	1,112,166	753,475
Rent received.	368,000	350,000
Gratuity Provision Written Back	1,237,059	-
Leave Encashment Written Back	12,569	46,279
xi) Profit on Currency Derivatives	-	-
xii) Profit on Derivatives	-	-
Total	5,740,531	9,501,520

22 Employee Benefit Expenses

Particulars	Current Year	Previous Year
Salary & Wages	12,776,798	12,464,071
Contribution to provident & other Funds	553,147	517,250
Leave Encashment	-	-
Staff welfare Expenses	183,932	281,008
Incentive to staff	12,215	13,269
Gratuity	-	2,052,808
Total	13,526,092	15,328,405

23 Finance cost

Particulars	Current Year	Previous Year
Interest Paid to Bank	2,193,599	3,310,164
Interest Paid to Others	5,517,117	5,091,417
Bank Guarantee Commission	295,182	519,113
Total	8,005,898	8,920,695

24 Other Expenses

Particulars	Current Year	Previous Year
Advertisements	72,637	59,580
Auditors Remuneration	415,400	395,000
Bank Charges	422,023	623,832
Bad Debts	89,690	-
Commission Paid	-	-
Communication Expenses	778,208	751,660
Electricity Expenses	775,334	756,380
Maintainence Expenses	1,110,400	1,204,428
Miscellaneous Expenses	555,992	889,999
NSDL Expenses	2,130,936	1,391,539
Penalty- NSE & Other	-	-
Printing & Stationery	206,151	210,695
Professional Fees	2,415,134	2,429,406
Professional Tax- Employer	4,000	-
Provision for Non-Performing Assets	5,006,373	5,244,595
Provision for Contingent against standard assets	-	-
Rent , Rates & Taxes	3,869,641	3,469,980
Sebi Settlement Charges	-	-
Stock Exchange Expenses	63,475	1,681,070
Sub Brokerage	1,528,874	1,601,018
OTCEI Membership Exp	-	-
Prior Period Expenses	-	432,784
Travelling and Conveyance	334,174	248,930
Dimunation in value of Stock in Trade	1,358,267	640,056
	21,136,707	22,030,951

Action Financial Services (India) Limited

Notes forming part of Financial statement for the year ended March 31, 2019:

25. Contingent Liabilities not provided in respect of

- a. Bank Guarantee amounting to Rs.70,000,000/- (P.Y. Rs. 48,000,000/-) given to BSE and NSE for Margin, Secured by fixed deposit of Rs. 35,000,000/-(P.Y. Rs. 24,000,000/-).
- b. Allotment money payable on partly paid shares and debentures Rs. 1,782,000/- (P.Y.Rs. 1,782,000/-).

c. 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 in Rs.
1	Income Tax	CIT (A) against the DCIT order	A.Y. 2008-09	26,189,620 Paid (8,751,819) Net 17,437,801
2.	Income Tax	CIT (A) against the DCIT Order	AY 2010-2011	1,677,670
3.	Income Tax	CIT (A) against the DCIT Order	AY 2011-2012	709,780 Paid (141,956) Net 567,824
4.	Income Tax	CIT (A) against the DCIT Order	AY 2012-2013	1,290,000 Paid (143,845) Net 1,146,155
5.	Income Tax	CIT (A) against the DCIT Order	AY 2015-2016	3,011,520 Paid (192,160) Net 2,819,360

Note:-

1. The Company had contested Income Tax demand of Rs 26,189,620/- for Assessment Year 2008-09. The Company has deposited Rs.8,751,819/-. The same is shown as Loans and Advances. Company have preferred appeal against the demand in CIT(A). The Company is advised that the demand is not likely to be sustained.
2. The Company had contested Income Tax demand aggregating to Rs 6,211,009/- for Assessment years from 2010-11 to 2015-16 and calculation errors were

noticed in the order. On 14th February, 2017 and again on 27th April 2018 the Company has requested for rectification by which the demand is likely to be reduced to Rs. 22.40 Lakhs. No rectification order has been received till date. Company has also filed appeal with CIT(A) on 25th January 2017 against the order dated 26th December 2016. The Company is advised that it has a good case and demand is not likely to materialize.

Except as described above, there are no pending disputes as on 31st March, 2019 which the company believes would have material adverse effect on the results of operations, cash flow or the financial position of the company.

26. Capital Commitments : Nil (P.Y. Nil)

27. In view of not having sufficient profit available during the current financial year, the board of directors have not recommended payment of dividend on equity as well as preference shares for FY 2018-19.

28. Capital Reserve :

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

29. Borrowings**Bank Overdraft:**

- a. The company has overdraft facility from scheduled bank of Rs. 76.50 Lakhs (P.Y. Rs. 127 Lakhs) against which outstanding balance as at 31st March, 2019 was Rs.127 Lakhs (P.Y.Rs. 127 Lakhs). The overdraft facility is secured against equitable mortgage of the property owned by the company and personal Guarantee of Directors viz Mr. Milan Parekh and Mr. Bakul Parekh. Facility carries interest@ 1 year MCLR 8.40% + BSS 0.30% + CRP 2.90% presently 11.60% p.a. There are no overdrawn balances as at year end.
- b. The company has overdraft facility from scheduled bank of Rs. 75 Lakhs (P.Y. Rs. 75 Lakhs) against which outstanding balance as at 31st March, 2019 was Rs. 75 Lakhs (P.Y.Rs. 69 Lakhs). The overdraft facility is secured against shares. Facility carries interest@ 1 year MCLR 8.40% + BSS 0.30% + CRP 2.90% presently 11.60% p.a. There are no overdrawn as at year end.

Long Term Borrowings:

The company has availed Car Finance from Kotak Mahindra Prime Ltd. aggregating to amount Rs. 16 Lakhs payable in 60 EMI at Fixed rate 8.7 % from April 2017 to March 2022. These are secured against Two vehicles of the company. Installments

Action Financial Services (India) Limited

due for next one year (Current Maturities of Finance lease obligations) are included under Other Current Liabilities.

ICD:

Inter corporate deposit of Rs. 279 Lakhs (P.Y. 195 Lakhs) as at 31st March, 2019 received from Enpee Enterprises Pvt. Limited is secured against Pledge of Equity shares and securities held by the company and the subsidiaries as well as Company premises in BSE Building. The loan carries interest @21% p.a. Management has represented that the shares and securities have been pledged to avail the above ICDs.

Inter corporate deposit of Rs. 16 Lakhs/- (P.Y. 16 Lakhs) as at 31st March, 2019 received from Inland Financial Pvt. Limited is secured against Pledge of shares and securities held by the company and the subsidiaries. The loan carries interest @12% p.a. Management has represented that the shares and securities have been pledged to avail the above ICD.

Inter corporate deposit of Rs. 20 Lakhs/- (P.Y. 25 Lakhs) as at 31st March, 2019 received from Ketul Enterprises Pvt. Ltd is secured against Pledge of Equity shares. The loan carries interest @15% p.a. Management has represented that the shares and securities have been pledged to avail the above ICD.

There are no stipulations as to repayment of all the above mentioned ICDs.

30. Managerial Remuneration:

Particulars	2018-19	2017-18
Salary, Allowance & Perquisites	4,200,000	4,200,000
Leave Encashment Paid*	Nil	Nil
*Excludes provision for gratuity and leave encashment.		
TOTAL	4,200,000	4,200,000

No separate computation of Directors remuneration u/s 197/198 of the Act is given as no commission is payable to the Directors.

31. Auditor's remuneration:

Particulars	2018-19	2017-18
Audit Fees	410,000	425,000
Other Services	15,000	15,000
Total	425,000	440,000

32. Trade Receivables:

(a) Contingent provision against standard assets :-

The company has Long-term Provision of Rs. 538,688/- on account of Contingent provision against standard assets as against required provision of Rs. 190,314/-

(b) The provision for Non performing assets is maintained at Rs. 11,680,718/- (P.Y.Rs. 6,674,345/-) against the required provision of Rs. 1,969,857/- being 10 % of receivables outstanding for more than 6 months from the due date. Additional provision of Rs. 5,006,373/- is charged to Profit & Loss under other expenses.

(c) In the opinion of the management, current assets, loans and advances have a value on realisation in the course of business at least equal to the amount at which they are stated in the balance sheet and are fully recoverable and considered good. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably stated.

(d) Balances of certain debtors, creditors, Borrowings and advances given are subject to confirmation or reconciliation if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments.

33. Short Term Loan & Advances:

Short Term Loan given to Eloquent Syscon Pvt. Ltd Rs.22.70 Lakhs (P.Y. 22.70 Lakh) as at 31st March, 2019 is unsecured loan @ 18% p.a Interest.

34. Bad debts written off:

During the year the company has written off Rs. 89,690/- (P.Y. Rs. Nil/-) as bad debts

35. Investment

(a) The aggregate market value of quoted investments as at 31.03.2019 is Rs. 79,087,814/- (P.Y.Rs. 73,179,604/-) as against the total cost of quoted investment of Rs 72,173,297 /- (P.Y.Rs. 58,216,977/-).

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(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) Investments have been verified during the year at reasonable intervals and also at the yearend by the management and no discrepancies have been noticed by the management.

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

Name of the Company	As on 31st March 2019			As on 31st March 2018		
	No. of Shares	Face Value Rs.	Cost Rs.	No. of Shares	Face Value Rs.	Cost Rs.
(A) Quoted Shares (Fully Paid) at cost						
ASTEC LIFESCIENCES LTD	28010	10	16,715,248	32,550	10	19,366,552
BHARAT HEAVY ELECT LTD	892	5	66,890	3,815	5	426,647
BOMBAY BURMAH TRADING COR	2	2	2,404	1,202	2	1,445,044
BSE LIMITED	4229	1	-	4,229	1	-
COAL INDIA LTD	404	10	90,029	216	10	62,186
CUMMINS INDIA LTD	119	2	97,617	57	2	54,834
DILIP BUILDCON LIM	45	10	17,759	10	10	3,498
GENESYS INTL CORPN LTD	50	5	13,566	2,750	5	750,067
GREAVES LTD	100	2	14,200	11,800	2	2,068,863
HINDUSTAN UNILEVER LTD	4560	1	7,199,282	31	1	28,974
INDIAN HOTELS CO LTD	20	1	2,538	20	1	2,538
ITC LTD	251	1	70,064	389	1	109,036
MAHARASHTRA SEAMLESS LTD	4600	5	1,918,246	4,600	5	1,918,246
MARKSANS PHARMA LIMITED	50	1	1,243	8,880	1	194,465
MERCATOR LINES LTD	186497	1	6,441,993	258,647	1	9,093,236
RADICO KHAITAN LTD	7512	2	2,997,210	6,669	2	2,290,918
RAMCO CEMENTS LIMITED	5036	1	3,427,938	10	1	6,690
RELIANCE INDUSTRIES LTD	13008	10	16,537,577	1,968	10	1,801,035
RURAL ELEC CORP LTD	13689	10	2,221,332	9,944	10	1,673,205
SAKTHI SUGARS LTD	10	10	114	1,800	10	36,936
SUN PHARMACEUTICALS IND.	5239	1	2,323,933	2,156	1	1,398,964
SUN TV	809	5	633,570	2,147	5	1,805,515
TATA TELESERV(MAHARASTRA)	16349	10	92,372	402,191	10	2,284,601
TRENT LTD	8200	1	2,782,752	8,200	1	2,782,752
WIPRO LTD	155	2	42,816	362	2	149,565
XCHANGING SOLUTIONS LTD	32900	10	1,854,573	32,900	10	1,854,573
CONTINENTAL CONTROLS LTD	46124	10	184,957	46,124	10	184,957
PVP VENT LTD	500	10	7,030	500	10	7,030
BHARAT ELECTRONICS	99330	1	2,876,045	90,030	1	2,876,045
TATA GLOBAL	25000	1	3,540,000	25,000	1	3,540,000
Total (A)			72,173,297			58,216,977
(B) Unquoted Shares (Fully Paid)						
BANGALORE STOCK EXCHANGE LTD		1	1,229,609	7,228	1	1,229,609
SUMAN RESORT LTD		10	100,000	10,000	10	100,000
Total (B)			1,329,609			1,329,609
GRAND TOTAL (A+B)			73,502,906			59,546,586

36. Stock In Trade:

Stock in trade (SIT) has been valued at Cost or Market value whichever is lower, diminution in market value is charged to profit and loss account amounting to Rs.1,358,267/-(P.Y.Rs. 640,056/-).

The Stock in trade has been verified by the management during the year at reasonable intervals and also at the year end and no discrepancies have been noticed by the management.

With respect to Stock in trade and Investments given as security for margin and for borrowings the company has obtained confirmations. The quantity and valuation of stock as at 31st March 2019 has been certified by the management.

37. Company has entered into option contracts on National stock exchange in equity segment and currency segment. The open position as on 31.03.19 is Rs.67,159,238/-(P.Y. Rs.17,117,942/-).

38. 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 31st March 2019	Proportion of ownership Interest as at 31st March 2018
1.	Action Securities Limited	India	100 %	100 %
2.	Action Commodities Limited	India	100%	100%

39. Provision for Taxation:

The company has sufficient unabsorbed Depreciation, Carried Forward Business and short term losses hence no provision for Income Tax made during the year. In view of availability of unabsorbed Business Loss & depreciation , no provision for tax under MAT is made.

40. Earnings per Share (EPS):

Sr. No.	Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
(A)	Profit /(Loss) After tax (in Rs.)	2,420,003	(8,030,231)
(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	1,592,003	(8,858,231)
(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	12,504,500
(G)	Basic Earnings Per Share (in Rs.) (C/E)	0.13	(0.71)
(H)	Diluted Earnings Per Share (in Rs.) (C/F)	0.13	(0.71)

41. Trade Payables:

- 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.
- b) To the extent information is 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.
- c) As represented by the company, the company does not owe any sum to micro enterprises and small enterprises. Accordingly, the company has not made a separate disclosure under Trade Payables in Part I – Balance Sheet as required by the notification dated 04th September, 2015 pertaining to alterations in Schedule III issued by MCA.

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

- a. The Company has taken one office premises under leave 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 31.03.2019 Amount (Rs.)	Year Ended 31.03.2018 Amount (Rs.)
Not later than one year	2,741,618	2,499,861
Later than one year and not later than five years	134,000	103,318
More than five years	NIL	NIL

43. 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 3. Mr. Siddheshwar Thorat Company Secretary
3.	Enterprise controlled by the company	Subsidiaries: 1. Action Securities Limited 2. Action Commodities Limited
4.	Relative of key management Personnel	1. Mrs. Nayana Milan Parekh 2. Mr. Sagar Milan Parekh 3. Mrs. Avni Sagar Parekh 4. Miss Disha Bakul 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 Parekh		
		Nature of Transaction	Current Year (Rs.)	Previous Year (Rs.)
		Remuneration	2,100,000	2,100,000
		Receivable	Nil	43,996
		Payables	943,423	Nil
		Mr. Bakul R Parekh		
		Nature of Transaction	Current Year (Rs.)	Previous Year (Rs.)
		Remuneration	2,100,000	2,100,000
		Payable	1,931,322	116,142
		Receivable	Nil	Nil
3.	Enterprise controlled by the company	Nature of Transaction	Current Year (Rs.)	Previous Year (Rs.)
		Professional Expenses	Nil	220,000
		Rent received	Nil	50,000
		Closing Balance		
		- Deposits	75,000	75,000
		- Receivable	59,845	NIL
		- Payable	590,486	313,493
4.	Relative of key management Personnel	Nature of Transaction	Current Year (Rs.)	Previous Year (Rs.)
		Brokerage & AMC	83,690	148,718
5.	Enterprise under control of relative of Key Management Personnel	None		
6.	Enterprise under common control of Key Management Personnel	None		

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

45. Fixed Assets:

- a. Company has carried out physical verification of Fixed Assets during the year. There are no material discrepancies found on such verification.
- b. The company has tested its Fixed Assets for impairment as per "AS-28 Impairment of Fixed Assets". There are no indications of impairment to the asset.

46. Long term contracts and derivatives contracts:

The Company has reviewed its long term contracts including in the nature of derivative contracts. There are no material foreseeable losses on such contracts.

47. 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.

- 48.** 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.

- 49.** Due to rounding off, the numbers presented throughout the document may not add up precisely to the absolute figures. 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 Jain Chowdhary & Co
Chartered Accountants
Firm Registration No. 113267W

Milan R. Parekh
Chairman & Managing Director
DIN: 00108368

Siddharth Jain
Partner
Membership No.104709

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

CS. Siddheshwar Thorat
Company Secretary
ACS: A57378

Place: Mumbai
Date: 27th May 2019

Place: Mumbai
Date: 27th May 2019

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Action Financial Services (India) Limited**(CIN: L65944MH1992PLC068879)**

Regd. Office: 46 & 47, 6th floor, Rajgir Chambers, 12/14, Shahid Bhagat Singh Road,
Opp. Old Custom House, Fort, Mumbai-400001.

Tel: 022-4365 4444; Fax: 022-4365 4447

Website: www.actionfin.com; E-mail: action@actionfin.com;

ATTENDANCE SLIP

Venue of the meeting : **11-15, 2nd floor, Rajgir Chambers, 12/14, Shahid Bhagat Singh Road, opp. Old Custom House, Fort Mumbai-400001**

Day, Date & Time : **Friday, 27th September, 2019 at 11.00 a.m.**

Name Of The Member (s) /Proxy	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No.	
No. of Shares held	

* Applicable for investors holding shares in electronic form.

I certify that I am the registered shareholder(s)/proxy for the registered shareholder of the Company.

I/We hereby record my presence at **Twenty-Sixth** Annual General Meeting of the Members of Company held on **Friday, 27th September, 2019 at 11.00 a.m.** at 11-15, 2nd floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, opp. Old Custom House, Fort Mumbai-400001.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

Notes:

1. Please fill in attendance slip and hand it over at the entrance of the meeting hall.
2. Joint Shareholders may obtain additional slip on request.

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**Action Financial Services (India) Limited
(CIN: L65944MH1992PLC068879)**

Regd. Office: 46 & 47, 6th floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road,
opp. Old Custom House, Fort Mumbai-400001.

Tel: 022-4365 4444; Fax: 022-4365 4446

Website: www.actionfin.com; E-mail: actionfin@gmail.com

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]

Name of the member(s)	
Registered Address	
Email ID	
Folio 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 :

Action Financial Services (India) Limited

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at **Twenty-Sixth** Annual General Meeting of the Members of Company held on **Friday, 27th September, 2019** at 11.00 a.m. at 11-15, 2nd floor, Rajgir chambers, 12/14, Shahid Bhagat Singh Road, opp. old Custom House, Fort Mumbai-400001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particulars	For	Against
1.	To receive, consider and adopt the Financial Statements as at 31st March, 2019 together with the Directors' Report and Auditors' Report thereon		
2.	To appoint a Director in place of Mr. Milan Parekh, who retires by rotation, and being eligible offers himself for re-appointment.		
3.	To appoint the auditors and fix their remuneration.		
4.	To appoint Mr. Harbhajan Singh Dhillon (DIN No.: 05322003) as an Independent Director.		

Signed this day of 2019

Signature of shareholder:

**Affix
Revenue
Stamp**

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.

Route Map to the venue of the AGM – from CSMT / CHURCHGATE Station



Kind Attention!!

Dematerialization of shares:

Members are requested to note that, pursuant to amendment in Regulation 40 of the SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository w.e.f. April 01, 2019. Therefore, requests for physical transfer of securities are no longer processed and you are requested to dematerialize the securities held in physical form in order to transfer the same.

KYC Updation of Shareholders:

Updation of KYC data is very essential for better service to the shareholders of the company. Therefore, the shareholders are requested to update their KYC details such as Address, PAN, Bank account details, Specimen Signature, Email Id, Mobile number and Nominee details from time to time. The shareholders holding securities of the company in demat mode may update their KYC details through their Depository Participant (i.e., with whom they had opened their demat account). The shareholders holding securities in physical mode can update their KYC details by furnishing the same to the Registrar & Share transfer Agent (RTA) of the Company, Link Intime India Pvt. Ltd.

Go Green Initiative

Dear Member,

To promote the Green Initiative of the Ministry of Corporate Affairs, We request you, our valued shareholder, to join us in our endeavor to save the planet by registering your email to receive all communications electronically.

In case you hold securities of the Company in demat mode, kindly furnish your email ID to your Depository Participant (i.e., with whom you had opened your demat account). If you hold securities in physical mode, kindly furnish your email ID to the Company's Registrar & Share Transfer Agent Link Intime India Pvt Ltd ('RTA') at their email ID: rnt.helpdesk@linkintime.co.in

NOTE

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46/47, 6th floor, Rajgir Chambers, 12/14,
Shahid Bhagat Singh Road, Opp. Old Custom House,
Fort, Mumbai - 400 001.

LINK INTIME INDIA PVT. LTD.

C 101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400083
Phone: 022-4918 6000 Fax: 4918 6060