

21 ST
ANNUAL REPORT
2001-2002

AEONIAN
INVESTMENTS
COMPANY
LIMITED

AEONIAN INVESTMENTS COMPANY LIMITED

BOARD OF DIRECTORS 1. Shri Amit C. Choksey 2. Shri Bhanushankar R. Trivedi 3. Shri Arun C. Dalal 4. Shri Dhiren P. Mehta 5. Smt. Priti A. Choksey	Bankers : 1) Central Bank of India Nariman Point Branch Mumbai 400 021. 2) Standard Chartered Grindlays Bank Ltd 90, M. G. Road Branch, Fort, Mumbai 400 001. 3) ABN Amro Bank Bready House 14, Veer Nariman Road, Mumbai 400 023.
Auditors : Messrs H R Shah & Associates Chartered Accountants 305 / B, Skyway, Shastri Nagar J. P. Road, Andheri (W) Mumbai 400 053.	Registered OFFICE N K Mehta International House 178, Backbay Reclamation Babubhai M Chinal Marg Mumbai 400 020.

AEONIAN INVESTMENTS COMPANY LIMITED

Registered office : N K Mehta International House, 178 Backbay Reclamation, Babubhai M Chinai Marg, Mumbai 400 020.

NOTICE :

NOTICE is hereby given that the Twenty First Annual General Meeting of the Company will be held at its Registered office at N K Mehta International House, 178 Backbay Reclamation, Babubhai M Chinai Marg, Mumbai 400 020. on Tuesday, the 17th September, 2002, at 3:30 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the accounts for the year ended 31st March, 2002, and report of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri. Amit C. Choksey, who retires by rotation and being eligible, offers himself for re appointment.
4. To appoint a Director in place of Shri Bhanushankar R. Trivedi, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and fix their remuneration

Registered Office :

N K Mehta International House
178 Backbay Reclamation House
Babubhai M Chinai Marg
Mumbai 400 020.

BY ORDER OF THE BOARD

AMIT C CHOKSEY
CHAIRMAN

Mumbai : June 20, 2002

AEONIAN INVESTMENTS COMPANY LIMITED

Registered office : N K Mehta International House, 178 Backbay Reclamation, Babubhai M Chinai Marg, Mumbai 400 020.

Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 22nd July 2002. to 26th July 2002. (Both days inclusive), in connection with the ensuing Annual General Meeting and the payment of dividend.
- The dividend for the year ended 31st March, 2002 as recommended by the Board, if approved at the meeting, will be payable to those members whose names appear on the Company's Register of Member on July 26th, 2002. The dividend will be subject to deduction of tax at source.
- Members holding shares in physical form are requested to immediately intimate change of address, if any, to the Company. Members holding shares in the electronic form are advised to inform any change in address to their respective Depository Participants. The address as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants.
- As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
- Members are requested to produce the enclosed Attendance Slip duly signed at the entrance to the Meeting. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
- The unclaimed dividends upto the company's financial year 1994-95 has been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants for the said years are requested to claim the amount from Registrar of Companies, Kalachowki, Hakoba Mill Compound, Mumbai.
- Mr. Amit C. Choksey and Mr. Bhanushankar R. Trivedi, Directors of the Company, are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Mr. Amit Choksey is a Commerce graduate & an Industrialist (Chairman & Managing Director of M/s. Mazdza Colours Limited, one of the leading manufactures and exporters of various types of pigments and intermediates), and possesses 30 years of experience in managing industries, manufacturing various types of pigments, chemicals etc. in primary and secondary market.

Mr. Bhanushankar R. Trivedi has over 50 years of Marketing Experience.

Registered office :

N K Mehta International House,
178 Backbay Reclamation
Babubhai M Chinai Marg
Mumbai 400 020.
Mumbai: June 20, 2002.

BY ORDER OF THE BOARD

AMIT C. CHOKSEY
CHAIRMAN

DIRECTORS REPORT

**To,
The Members**

AEONIAN INVESTMENTS COMPANY LIMITED

Yours directors have pleasure in presenting the Twenty First Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2002.

FINANCIAL RESULTS :

During the year your company earned an income of Rs.3.51 crores from Investments as against Rs.2.34 crores in the previous year. However due to steep and persistent fall in the stock prices, the company made a loss of Rs.1.01 crores from sale of shares as compared to loss of Rs.1.75 crores in the previous year.

DIRECTORS

Shri. Amit C. Choksey and Shri Bhanushankar R. Trivedi, directors of the company retires by rotation and being eligible, offer themselves for re appointment.

AUDIT COMMITTEE

During the year under review the Board of Directors of the Company has constituted an audit committee, which presently comprises the following directors of the Company :

- 1) Mr. Dhiren P. Mehta
- 2) Mr. Bhanushankar R. Trivedi
- 3) Mr. Arun C. Dalal

Mr. Dhiren P. Mehta has been appointed as the Chairman of the Audit Committee.

RESPONSIBILITY STATEMENT

The Directors confirm

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have 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 or loss of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that they have prepared the annual accounts on a going concern basis.

DIVIDEND

Your director recommend for consideration of shareholders at the Annual General Meeting, payment of a dividend of Rs.10/- (Rupees Ten per share), subject to deduction of tax at source, amounting to Rs.24 Lacs for the year ended March 31st, 2002. The dividend, if approved, will be paid to those members whose name appear on the Register of Members as on July 26, 2002.

DEPOSITORY SYSTEM:

Your Directors have pleasure in informing you that the Company has entered into a tripartite agreement with the National Securities Depository Ltd (NSDL) and Tata Share Registry Limited and have also entered into a tripartite agreement with Central Depository Securities Ltd (CDSL) and Tata Share Registry Limited to facilitate investors to hold the securities in the electronic form. The facility of the dematerialisation of the Company's share is available to the shareholders. It is possible for the members to avail of the facilities contemplated under the Depositories Act by approaching one of the Depository Participants and on payment of dematerialisation costs.

APPROPRIATION :

In accordance with the provisions of Section 45 IC (1) of the Reserve Bank of India Act, 1934, as introduced by the Reserve Bank of India (Amendment) Ordinance, 1997, a sum of Rs.44,00,000/- amounting to atleast 20% of the profit for the year is transferred to Reserve Fund. An amount of Rs.50,00,000/- has been transferred to General Reserve.

INFORMATION PURSUANT TO THE NON-BANKING FINANCIAL COMPANIES ACCEPTANCE OF PUBLIC DEPOSITS (RESERVE BANK) DIRECTIONS, 1999.

The Company has not accepted any deposit during the year. Hence, no information is required to be appended to this report in terms of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

ADDITIONAL DISCLOSURES

In line with the requirements of the Listing Agreements and the Accounting Standards of the Institute of Chartered Accountants of India, your Company has made additional disclosures in respect of Consolidated Financial Statements and Related Party transactions.

PARTICULARS OF EMPLOYEES:

There are no employees of the company whose particulars are required to be reported under Section 217 (2A) of the Companies Act, 1956 and the rules thereunder.

LISTING ARRANGEMENTS :

The Shares of the Company are listed on The Stock Exchange at Mumbai and the applicable listing fees has been paid till date.

CONSERVATION OF ENERGY & TECHNOLOGICAL ABSORPTION :

Being an investment company with no manufacturing activity, the directors have nothing to report on Conservation of Energy, Research & Development and Technology Absorption. During the year there were no Foreign Exchange Earnings and Outgo.

SUBSIDIARY COMPANY :

Statement pursuant to section 212 of the Companies Act, 1956 in respect of the Company's subsidiary company is appended to the balance sheet. During the year under review, Sammelan Investments & Trading Limited, the subsidiary of your company has disinvested its entire share holding in its 100% subsidiary Easy Investments Company Limited and hence your company has ceased to be the Holding Company of Easy Investments Company Limited.

AUDITORS :

The Company's Auditors M/s. H R SHAH & ASSOCIATES, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

CORPORATE GOVERNANCE

The Management Discussion and Analysis and the report on Corporate Governance in included as a part of the Director's Report.

Your Company is committed to practice the principles of good Corporate Governance.

The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the board lays strong emphasis on transparency, accountability and integrity.

Certificate dated June 20, 2002 of the auditors of your company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchange is annexed.

SECRETARIAL COMPLIANCE CERTIFICATE

In accordance with the provisions of Section 383A of the Companies Act, 1956, a certificate from M/s. Manish Ghia & Associates, Company Secretaries, certifying that the company has complied with all the provisions of the Companies Act, 1956 is given in the Annexure and forms part of this Report.

ON BEHALF OF THE BOARD OF DIRECTORS

MUMBAI : June 20, 2002

**AMIT C CHOKSEY
CHAIRMAN**

AEONIAN INVESTMENTS COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company being an Investment Company, is an investor on the Capital Market and in Mutual Funds, besides holding some investments in unquoted shares, mostly of a manufacturing company.

Thus, industry structure relevant to the Company's operations has mainly to do with the Capital Market and Mutual Fund Industry.

In the beginning of the year 2001 – 2002, Company's major investments were in US – 64 Scheme of the Unit Trust of India.

In early 2001, the Government had made known their intention to bring structural reduction in interest rates. This coupled with continuing tax exemption of mutual fund dividends, resulted in a shift from equity market to debt through mutual funds.

Your Company therefore thought it wise to shift its investments in the US – 64 Scheme to the Income Schemes of other large Mutual Funds. Income Schemes of the other mutual funds delivered good returns through dividend on their units as compared to that of the US – 64 Scheme.

Capital Market was not in good shape and turbulence was witnessed due to financial as well as political scams that took place in the early 2001. The Capital Market was also affected by the ban on the badla market during the middle of the year.

Ban on Badla, we were advised, affected badly, certain respectable brokers who could not repay the Badla finances to their customers, in time. Your Company was also affected in this regard to the tune of Rs. 1.54 crores, invested in the said market and had to convert the same into a loan to the concerned broker against the security of 2 lakhs Equity shares of Supreme Industries Ltd. and a negative lien on BSE Card of the Broker.

Presently, Stock price of Supreme Industries Ltd. has almost doubled and it may become possible for your Company to release the said broker from its loan liabilities to the company with reasonable interest.

Considering the uncertain conditions prevalent in the Capital Market, your Company had to churn its portfolio of investments in Equity shares of various Companies, resulting in a loss of Rs. 1.01 crores. Your Directors believe that the year end portfolio of Company's investment in Equity shares is in sound and profitable companies or

public sector companies and is likely to appreciate once the political scenario and border turbulence undergo change for the better. A part of this portfolio is managed by a reputable firm of Merchant Bankers and Security Brokers

The Capital market to have realised that phase of structural reduction in interest rate is over. This coupled with withdrawal of exemption of dividend from debt schemes of mutual funds, brought about by the Finance Act, 2002, is causing capital flowing back from debt to equity. The Company expects capital market to give better returns in the near future as compared to debt.

The Government remains committed to the reform process and disinvestment of leading PSU's, which may lead to value unlocking. Your Company holds investments in leading PSU's and hopes to earn appreciation in their values.

There are some early signs of revival in the domestic economy aided by stable inflation, low interest rates and infrastructure spending by the Government. This, coupled with the benefits of restructuring carried out by the manufacturing sector in the last 2 to 3 years, should result in improving their profitability and consequently capital market fixing better valuation for their equities.

Your Company earned a gross income of Rs.3.51 crores as compared to Rs.2.34 crores in the previous year. After meeting expenses of Rs.8.21 lacs, loss on sale of shares & units of Rs.1.01 crores, depreciation of Rs.5.84 lacs and provision for taxation of Rs.16 lacs, profits available for appropriation stands at Rs.2.11 crores. Your Company has recommended a dividend of Rs.10/- per share, subject to deduction of tax at source, for consideration of shareholders at the AGM.

Your Company's Internal Control System is adequate for its present business.

Shareholders are cautioned that this discussion & analysis contains forward-looking statements that involve risks & uncertainty. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Actual results, performances, or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only of the expectations as on the date.

Compliance Certificate

Authorised Share Capital : Rs.24,00,000/-
Company Reg. No. : 11- 24860

To,

The Members
Aeonian Investments Company Limited.
N.K.Mehta International House,
178, Backbay Reclamation,
Babubhai M. Chinia Marg,
Mumbai - 400 020.

We have examined the registers, records, books and papers of M/s. Aeonian Investments Company Limited ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company, for the financial year ended on 31st March, 2002 (Financial year). In our opinion and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Companies Act, 1956 and the rules made thereunder and entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Maharashtra, Mumbai, within time prescribed under the Companies Act, 1956 and the rules made thereunder and the Company has paid the necessary additional fee for the document filed after the time prescribed.
3. The Company being a Public Limited Company, has the paid up capital of Rs.24,00,000/- (Rupees Twenty Four Lakhs) as on 31st March, 2002 and the restrictive provisions of Section 3(1) (iii) of the Act are not applicable.