

**23 RD
ANNUAL REPORT
2003-2004**

**AEONIAN
INVESTMENTS
COMPANY
LIMITED**

AEONIAN INVESTMENTS COMPANY LIMITED

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| <p>BOARD OF DIRECTORS</p> <ol style="list-style-type: none"> 1. Shri Amit C. Choksey 2. Smt. Priti A. Choksey 3. Shri Bhanushankar R. Trivedi 4. Shri Arun C. Dalal 5. Shri Dhiren P. Mehta | <p>Bankers :</p> <ol style="list-style-type: none"> 1) Central Bank of India 2) Standard Chartered Bank Ltd 3) ABN Amro Bank 4) HDFC Bank Ltd 5) Global Trust Bank Ltd <p>Registrar and share Transfer Agents:</p> <p>MCS LIMITED "Sri Venkatesh Bhavan" Plot No.27, Road 11, M.I.D.C. Area, Andheri (East), Mumbai - 400 093.</p> |
| <p>Auditors :</p> <p>Messrs H R Shah & Associates Chartered Accountants 305 / B, Skyway, Shastri Nagar J. P. Road, Andheri (W) Mumbai 400 053.</p> | <p>Registered Office:</p> <p>N K Mehta International House 178, Backbay Reclamation Babubhai M Chinai Marg Mumbai 400 020.</p> |

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 Third 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 15th day of June, 2004 at 3:30 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet for the year ended 31st March, 2004 and Audited Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To note and confirm the payment of interim dividend on Equity Shares.
3. To declare the final dividend on Equity Shares.
4. To appoint a Director in place of Smt Priti A. Choksey, who retires by rotation and being eligible, offers herself for re appointment.
5. To appoint a Director in place of Shri Amit C. Choksey, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors in place of retiring auditors and to fix their remuneration and to pass the following resolution :

"RESOLVED THAT M/s. Ravi A. Shah & Associates, Mumbai, be and are hereby appointed as Auditors of the Company for the Financial Year 2004 – 2005 and they shall hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration plus out of pocket expenses as may be incurred by them for the purpose of Audit to be decided by the Board at a later date."

Note:- The retiring Auditors M/s. H. R. Shah & Associates, Chartered Accountants, Mumbai being eligible have shown their unwillingness to be re-appointed as Auditors of the Company for the Financial Year 2004 – 2005. M/s. Ravi A. Shah & Associates, Chartered Accountants, Mumbai, being eligible have consented to act as Auditors of the Company, if appointed. Your Company has received special notice proposing the appointment of M/s. Ravi A. Shah & Associates, Chartered Accountants, Mumbai as Auditors of the Company.

BY ORDER OF THE BOARD

**PLACE : MUMBAI
DATE : APRIL 23, 2004**

**(AMIT C. CHOKSEY)
CHAIRMAN**

**Registered Office :
N .K. Mehta International House
178 Backbay Reclamation House
Babubhai M Chinai 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.

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 10th June 2004, to 15th June 2004. (Both days inclusive), in connection with the ensuing Annual General Meeting and the payment of final dividend.
- The dividend for the year ended 31st March, 2004 as recommended by the Board, if approved at the ensuing Annual General meeting, will be payable to those members whose names appear on the Company's Register of Member on June 15th, 2004. However, in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners of shares as on the close of 10th June, 2004 as per details furnished by the Depositories for this purpose.
- Members holding shares in physical form are requested to immediately intimate change of address, if any, to the Company / Registrar and Share Transfer Agents quoting reference of the Registered Folio Number. 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 envelopes.
- 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. We hope you will help us in our endeavour of cost control and cost reduction.
- Members having multiple folios in identical names or on joint names in the same order are requested to send the share certificate(s) to the company's R & T Agents, M/s. MCS Limited, for consolidation of all such shareholding into one folio to facilitate better service.
- Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company's Registered Office at least seven days in advance before the AGM so that the same may be made readily available at 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 dividend for the financial year 1995 - 96 of the Company has been transferred to the Investor Education and Protection Fund as required under section 205-C of the Companies Act, 1956. The balance amount in unpaid Dividend Account for the financial year 1996-97 is due for transfer to the Investors Education Protection Fund administered by the Central Government during the month of September, 2004. The shareholders whose dividend is unclaimed for the aforesaid financial year are requested to claim it immediately from the Company, otherwise, the Company is advised, it cannot be claimed from Investors Education and Protection Fund.
- The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the Bank account details, if available, on the payment instruments for distribution of dividend.
- **ADDITIONAL INFORMATION ON DIRECTORS BEING RE-APPOINTED AT THE ANNUAL GENERAL MEETING :-**

Following is the biographical data of the Directors being re-appointed :

1. Mrs. Priti A. Choksey

Mrs. Priti A. Choksey has been associated with the Company since 1997. She is relative of the Chairman of the Company, Mr. Amit C. Choksey and having indepth experience in the business of the Company.

2. Mr. Amit C. Choksey

Mr. Amit C. Choksey is a Commerce Graduate and an Industrialist and Chairman & Managing Director of M/s. Mazda Colours Limited, one of the leading manufactures and exporters of various types of pigments, chemicals etc.

DIRECTORS' REPORT

To,

The Members

AEQNIAN INVESTMENTS COMPANY LIMITED

Yours directors have pleasure in presenting the Twenty Third Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2004.

FINANCIAL RESULTS :

Rs. In Lacs

| Particulars | For the year 2003 - 2004 | For the year 2002-2003 |
|--|-----------------------------|---------------------------|
| Total Income | 882.45 | 187.86 |
| Profit / (Loss) before Tax | 750.55 | 157.96 |
| Less : Provisions for taxation | 71.62 | 12.00 |
| Less : Provision for Wealth tax | 7.00 | - |
| Profit / (Loss) after tax | 671.93 | 145.96 |
| Add : Surplus brought forward | 2254.64 | 2219.73 |
| Deferred Tax Adjustment | 1.80 | - |
| Less: Short Provisions for earlier year Income tax | 25.19 | 0.43 |
| Profit available appropriation | 2903.18 | 2365.25 |
| Proposed Dividend | 120.00 | 36.00 |
| Tax on proposed Dividend | 15.38 | 4.61 |
| Interim Dividend | 72.00 | - |
| Tax on interim dividend | 9.23 | - |
| Transfer to General Reserve | 76.00 | 40.00 |
| Transfer to Reserve Fund in terms of Section 45 IC (1) of R.B.I | 151.00 | 30.00 |
| Balance Carried to Balance Sheet | 2459.57 | 2254.64 |

DIRECTORS

Smt. Priti A. Choksey and Shri Amit C. Choksey, Directors of the company retires by rotation and being eligible, offer themselves for re appointment. Your Directors have pleasure in recommending their appointment.

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 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 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 Directors had declared and paid an interim dividend of Rs.30/- per share during the year amounting to Rs.72,00,000/- The distribution tax paid by the Company on the interim dividend distribution amounted Rs.9,22,500/-

Your directors are further pleased to recommend a final dividend of Rs.50/- per share for the financial year ended on 31st March, 2004. The proposed dividend, if approved, at the Annual General Meeting would absorb a sum of Rs.120 Lacs. The tax on distribution profits, payable by the Company would amount to Rs.15.37 Lacs.

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.1,51,00,000/- amounting to atleast 20% of the profit for the year is transferred to Reserve Fund. An amount of Rs.76,00,000/- 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 amended clause 32 of the Listing Agreements your company has made additional disclosures in respect of disclosure of loans / advances and investments in its own shares by the listed companies, their subsidiaries, associates etc., wherever applicable. An additional schedule to the Balance Sheet, as directed by RBI for all NBFC's, has also been annexed.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the Public during the year under review within the meaning of Section 58A of the Companies Act, 1956.

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

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

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.

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. They have shown their unwillingness to continue as Statutory Auditors of the Company.

The Company has received a special notice proposing the appointment of M/s. Ravi A. Shah & Associates, Chartered Accountants, Mumbai as Auditors of the Company for the financial year 2004 – 2005 and to hold the office from the conclusion of the ensuing 23rd Annual General Meeting until the conclusion of next Annual General Meeting in place of M/s. H. R. Shah & Associates, Chartered Accountants, Mumbai.

The Directors recommends, their appointment for your approval and to fix their remuneration.

CORPORATE GOVERNANCE

A report on Corporate Governance alongwith a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as also a Management Discussion and Analysis Report to Clause 49 of the listing Agreement are annexed hereto.

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 the status on Compliance with respect to the applicable provisions of the Companies Act, 1956, is given in the Annexure and forms a part of this Report.

APPRECIATION

Your Directors place on record their, sincere thanks for the valuable services rendered by the portfolio managers and stock brokers and other various business associates.

ON BEHALF OF THE BOARD OF DIRECTORS

**PLACE : MUMBAI
DATE : APRIL 23, 2004**

**(AMIT C. CHOKSEY)
CHAIRMAN**

AEONIAN INVESTMENTS COMPANY LIMITED**MANAGEMENT DISCUSSION AND ANALYSIS**

The Directors have pleasure in presenting the Management Discussion and Analysis Report for the year ended 31st March, 2004 and like the last year we once again look forward to a better year in the financial year 2004 – 2005.

Your Company being an Investment Company, is an investor in the Capital Market and in Mutual Funds holding some investments in quoted and unquoted equity shares. The industry structure relevant to the Company operations has mainly to do with the Capital Market and to a lesser extent Mutual Fund Industry. The Company handles its investments in capital market through several reputed portfolio managers.

In the year under review, the equity markets performed very well. The markets were well supported by encouraging corporate results, positive monsoons, improving economic outlook and a huge inflow of funds from FII's. On one hand, both foreign and domestic institutions as well as retail investors showed renewed interest in the market. On the other, the rally saw participation from both large as well as small and mid size companies. It will be worthwhile to note that the Corporate performance has improved across a wider sample of industries reflecting the overall improvement in the economic environment and corporate competitiveness. The performance of the companies were quite encouraging in exports.

The announcement of a "mini budget", in the month of January, enumerated a number of positive measures to keep buoyant the overall feel good factor. However, during the last two months of the year, market reflected uncertain trends and prices were under pressure mainly due to liquidity dry up as sizeable funds shifted from secondary market to primary market.

Your Company capitalised the advantages prevailing in the economy and the equity markets, by booking profits at regular intervals, mostly through the expertise of professional portfolio managers. Your Company earned a gross income to the tune of Rs.882.45 Lakhs during the year under review as compared to Rs.187.86 Lakhs in the previous year, a rise of Your company also changed asset allocation and diverted a part of its considerable investment in debt funds to the Real Estate market.