

Growth
Knowledge
Performance
Leadership
Trust
Vision
Strength
Patience
Focus
Results
Innovation
Endurance
Efficiency
Effectiveness
Confidence
Consistency
Competitive



AEONIAN INVESTMENTS CO. LTD.

26TH ANNUAL REPORT 2006 - 2007

Commitment
Strategic
Faith
Optimism
Courage
Dynamism
Insight
Loyalty

BOARD OF DIRECTORS

Shri Amit C. Choksey
Smt. Priti A. Choksey
Shri Manubhai G. Patel
Shri Bipin V. Jhaveri
Shri Dhiren P . Mehta
Shri Bhanushankar R. Trivedi

Bankers :

Central Bank of India
Standard Chartered Bank Ltd.
Bank of India

Registrar and Share Transfer Agents :

INTIME SPECTRUM REGISTRY LTD.

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078.

Report  Junction.com

AEONIAN INVESTMENTS COMPANY LIMITED

Auditors :

Ravi A. Shah & Associates
Chartered Accountants
Vile Parle (W), Mumbai - 400 056.

Registered Office:

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

AEONIAN INVESTMENTS COMPANY LIMITED

Particulars	Page No.
Notice	1
Director's Report & Management Discussion and Analysis	4
Corporate Governance Report	8
Certificate of Compliance u/c 49 of Listing Agreement	16
Compliance Certificate	17
Auditor's Report.....	22
Balance Sheet	26
Profit & Loss Account	27
Cash Flow Statement	28
Schedules to Accounts	29
Notes to Accounts	36
Balance Sheet Abstract and Schedule required as per NBFC Norms	39
ECS Mandate	42
Proxy Form	43

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on Thursday, July 26, 2007 at 10.00 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd floor, 18/20, Dubash Marg, Kala Ghoda, Mumbai 400 023 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and Profit and Loss Account for the year ended as on that date and reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity shares.
3. To appoint a Director in place of Shri Amit C. Choksey who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Shri Bipin V. Jhaveri who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

By Order of the Board

PLACE : MUMBAI
DATE : May 29, 2007

AMIT C. CHOKSEY
CHAIRMAN

Registered Office:
N K Mehta International House
178 Backbay Reclamation House
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 July 19, 2007 to July 26, 2007 (Both days inclusive), in connection with the ensuing Annual General Meeting (AGM) and the payment of final dividend.
- The dividend as recommended by the Board of Directors, if approved by the shareholders at the Annual General Meeting shall be paid to those members whose names appear on the Register of members of the Company as on July 26, 2007. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of July 26, 2007 as per the details furnished by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
- 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 their 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 to control cost.
- Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the company's R & T Agents, M/s. Intime Spectrum Registry Limited, for consolidation of all such shareholding into one folio to facilitate better service.
- Members desirous of raising queries at the AGM 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 can be adequately replied.
- 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 1999 - 2000 of the Company will be 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 2000-2001 is due for transfer to the Investors Education and Protection Fund administered by the Central Government during the

month of August 2008. The shareholders whose dividend is unclaimed for the aforesaid financial year are requested to claim it immediately from the Company. Further shareholders are requested to note that no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed for a period of seven years from the date that these became first due for payment and no payment shall be made in respect of any such claim.

- 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 at the ensuing Annual General meeting:

1. Shri Amit C. Choksey

Shri Amit C. Choksey is Chairman and Managing Director of Mazda Colours Limited. He is also the Chairman of Sunshield Chemicals Limited and is on the board of number of public and private limited companies. He is also Honourary Counsel for Slovak Republic.

2. Shri B. V. Jhaveri

Shri Bipin V. Jhaveri is a qualified Company Secretary & Chartered Accountant by profession. He retired as Senior General Manager and Company Secretary of an Indian multinational company in the field of paints, having worked for about 40 years.

DIRECTORS' REPORT

Dear Members,

Yours Directors have pleasure in presenting the Twenty Sixth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2007.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	2006-2007	2005-2006
Income from operations	359.71	277.80
Profit on sales of Investments	1792.05	2208.70
Profit before depreciation and Tax	1773.71	1808.90
Less : Depreciation	44.19	45.63
Less : Provisions for Tax		
Current Tax	197.00	197.00
Deferred Tax	21.00	16.82
Profit / Loss after tax	1511.52	1549.45
Add : Balance brought forward from previous year	3489.61	2837.52
Add/Less : Short Provisions W. Off	30.02	(34.24)
Profit available for appropriation	5031.15	4352.73
Appropriation		
Proposed Dividend	336.00	336.00
Tax on Proposed dividend	57.10	47.12
Transfer to General Reserve	159.91	160.00
Transfer to Reserve fund in terms of Section 45 IC(1) of R.B.I Act, 1934	320.25	320.00
Balance carried forward to Balance Sheet	4157.89	3489.61

Operational performance

Income from Operations increased from Rs.277.80 Lacs in the previous year to Rs.359.71 Lacs in the year under consideration. Profit on Sale of Investments declined from Rs.2208.70 Lacs to Rs.1792.05 Lacs during the year under consideration. Profit before depreciation declined marginally from Rs.1808.90 Lacs to Rs.1773.71 Lacs.

Taxation: The net tax provision for fiscal 2006-07 was Rs.218.00 Lacs as compared to Rs. 213.82 Lacs in the previous year.

The Profit after Tax: The Company's Profit after tax decreased marginally to Rs.1511.52 Lacs during the year under review, as compared to Rs.1549.45 Lacs in the previous year. Your Directors consider the performance of the Company during the year as satisfactory.

DIVIDEND

The Directors are pleased to recommend a dividend of Rs.7/- per Equity Share (Previous year Rs.5/- per share and a special Silver Jubilee Dividend of Rs.2/- per share) for the financial year ended 31st March, 2007.

Outgo on account of these dividends will absorb Rs.393.10 Lacs including Dividend Tax payable by the Company. A sum of Rs.4157.89 Lacs has been "carried forward" in the Profit and Loss account of the year as shown under Reserves and Surplus in the Balance Sheet as on 31st March, 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

Your Company is an Investment Company, investing in shares- both quoted and unquoted and in Units of Mutual Funds. The industry structure relevant to the Company's operations is mainly concerned with the Capital Market and to a lesser extent to Mutual Fund Industry. The Company handles its investments in capital market mostly through reputed Portfolio Managers and to some extent on its own.

Industry Overview

The year 2006 - 2007 has been a good year for the Indian Economy and for Indian Capital Market. Indian economy continued its growth path clocking over 8% growth in Gross Domestic Product in past three years. Upper movement in the sensex and other similar indicators during the year was mainly driven by the Indian economy growing at higher rate, better company performances, events of mergers/acquisitions in the country and abroad by certain large Indian Corporates and confidence of foreign institutional investors for investment in large and mid - cap companies etc. The country has seen ever increasing inflows of funds coming to Indian capital market in the past 12 months.

As compared to Equity, investments in debt instruments have not been attractive.

In the above scenario, your Company's performance is considered satisfactory.

Outlook

Indian Corporates in the manufacturing and services sector are expected to perform well in the course of the current year, with Indian economy growing at a reasonable rate. Your Directors look forward to the current year with cautious optimism.

Company believes that the long term growth story of India remains intact though there would be several short term upheavals like crude oil prices; interest rates in the U.S.; Reserve Bank of India's Monetary policy; rate of inflation etc. Our performance in 2007-08 will be subject to the effect of some of these factors.

Risk and Concerns

Company's performance is closely linked to Indian Capital Market and risks associated with market operations.

The value of Company's Investments may be affected generally by factors affecting capital markets, such as price and volume volatility, interest rates, currency exchange rates, foreign investment, changes in government policy, political economic or other developments, crude oil prices and economic performance overseas.

Large part of Company's investments is under discretionary management of reputed and well organised portfolio manager, who operate in the financial services industry in its different segments. Company is exposed to risks associated with dealing with such third parties.

Segment

The primary segment of the Company is investment in capital market.

Internal Control Systems and Adequacy

Adequate system of internal control is in place, which assures us of maintaining proper accounting records and reliability of financial information. Company is initiating efforts to set up risks control procedures for investment risks in capital market.

Cautionary Statement

The statement in this report including Management's Discussion and Analysis report reflects Company's projections estimates, expectations or predictions and contains forward looking statement 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.

DIRECTORS

In accordance with the Articles of Association of the Company, Shri Amit C. Choksey and Shri Bipin V. Jhaveri, Directors of the Company, retire by rotation and being eligible, offer themselves for re - appointment.

DIRECTORS' 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.

APPROPRIATION :

In accordance with the provisions of Section 45 IC (1) of the Reserve Bank of India Act, 1934, a sum of Rs.320.25 lacs being 20 % of the profits for the year is transferred to Reserve Fund. Further an amount of Rs159.91 lacs has been transferred to General Reserve. The remaining balance of Rs. 4157.89 Lacs has been carried forward to the Profit & Loss Account of next year.

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

The Company has not accepted any deposits during the year under review.

PARTICULARS OF EMPLOYEES:

The Company has no employee covered under Section 217 (2A) of the Companies Act, 1956

LISTING ARRANGEMENTS :

The Shares of the Company are listed on Bombay Stock Exchange Limited at Mumbai and the applicable listing fees have been paid for the financial year 2007-08. The Company has complied with the requirements of the Listing Agreement with the said Stock Exchange.

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.

AUDITORS :

The Company's Auditors M/s. Ravi A. Shah & Associates, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

The Directors commend their appointment.

CORPORATE GOVERNANCE

Your Company is committed to practice the principles of good Corporate Governance. Necessary measures are taken to comply with the requirements of revised clause 49 of the Listing Agreements with the Stock Exchange.

The Management Discussion and Analysis and the report on Corporate Governance are enclosed and form part of the Directors' Report.

Certificate dated May 29, 2007 of the Company's auditors 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, Practicing 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.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

(AMIT C.CHOKSEY)
CHAIRMAN

PLACE : MUMBAI

DATE : May 29, 2007