

**AEONIAN INVESTMENTS CO. LTD.**

G r o w t h  
K n o w l e d g e  
P e r f o r m a n c e  
L e a d e r s h i p  
T r u s t  
V i s i o n  
S t r e n g t h  
P a t i e n c e  
F o c u s  
R e s u l t s  
I n n o v a t i o n  
E n d u r a n c e  
E f f i c i e n c y  
E f f e c t i v e n e s s  
C o n f i d e n c e  
C o n s i s t e n c y  
C o m p e t i t i v e

## **29TH ANNUAL REPORT 2009-2010**

C o m m i t m e n t  
S t r a t e g i c  
F a i t h  
O p t i m i s m  
C o u r a g e  
D y n a m i s m  
I n s i g h t  
L o y a l t y



# AEONIAN INVESTMENTS COMPANY LIMITED

## BOARD OF DIRECTORS

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

## REGISTERED & ADMINISTRATIVE OFFICE

N.K.M. International House,  
178, Backbay Reclamation,  
Babubhai Chinai Marg, Mumbai – 400 020  
Tel. No.: 022 – 61457000/7500  
Fax No.:022 – 22838291

## BANKERS

Bank of India  
  
Standard Chartered Bank

## AUDITORS

M/s. Ravi A. Shah & Associates  
Chartered Accountants  
Mumbai

## REGISTRAR & SHARE TRANSFER AGENTS

M/s. Link Intime India Private Ltd.  
(Formely Intime Spectrum Registry Ltd.)  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai – 400 078  
Phone : 022 – 2596 3838  
Fax : 022 – 2594 6969

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## **AEONIAN INVESTMENTS COMPANY LIMITED**

**Persons constituting group within the definition of “group” as defined in the Monopolies & Restrictive Trade Practices Act, 1969**

1. Amit Champaklal Choksey
2. Priti Amit Choksey
3. Amit C Choksey H.U.F
4. Namrata Amit Choksey
5. Ankita Amit Choksey
6. Abhiraj Trading & Investments Private Limited
7. Belt Trading & Investments Private Limited
8. Dhumravarna Trading & Investments Private Limited

## AEONIAN INVESTMENTS COMPANY LIMITED

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### **NOTICE**

**NOTICE** is hereby given that the Twenty Ninth Annual General Meeting of the Members of **Aeonian Investments Company Limited** will be held on **Thursday, 29<sup>th</sup> July, 2010 at 10.30 A.M.** at **M. C. Ghia Hall, Bhoghilal Hargovindas Building, 2<sup>nd</sup> Floor, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 023** to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account for the financial year ended March 31, 2010, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Amit Choksey, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Shri Bipin Jhaveri, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s. Ravi A. Shah & Associates, Chartered Accountants, Mumbai as Auditors of the Company and fix their remuneration.

**By Order of the Board**

**Amit C. Choksey**  
**CHAIRMAN**

Mumbai, 7th May, 2010

### **Registered Office:**

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

### **NOTES:**

1. A Member of the Company entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and, on a poll, vote instead of himself/herself. A Proxy need not be a Member of the Company. Proxies to be effective should be deposited at the Registered Office of the Company not later than Forty-Eight hours before the commencement of the meeting.
2. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General meeting.
3. Members / Proxies / Representatives should bring the enclosed Attendance slip, duly filed in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
4. Profile of the Directors seeking re-appointment, as required in terms of clause 49 of the Listing agreement entered into with Stock Exchange, is annexed to this Notice.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from **Friday, 23<sup>rd</sup> July, 2010 to Thursday, 29<sup>th</sup> July, 2010** (both days inclusive) in connection with the ensuing Annual General Meeting (AGM) and the payment of final dividend.
6. 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 Thursday, 29<sup>th</sup> July, 2010. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of 29<sup>th</sup> July, 2010 as per the details furnished by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries in writing to the Compliance officer of the Company at its Registered Office so as to reach at least seven days before the date of the meeting.
8. Members are requested to send their demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's Registrar & Transfer Agents, M/s. Link Intime Spectrum Registry Private Limited (formerly M/s. Intime Spectrum Registry Limited).
9. Members are hereby informed that the Company has transferred to the Central Government all unclaimed dividends relating to financial years upto 31-3-2002. Members who have so far not encashed their dividend

warrants for below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investors Education and Protection Fund, administered by the Central Government, pursuant to section 205C of Companies Act 1956 on the respective dates mentioned there against.

Financial Year	Date of declaration	Due date for transfer to Fund
2002-03	04-08-2003	03-08-2010
2003-04	17-02-2004 (Interim Dividend)	16-02-2011
	15-06-2004	14-06-2011
2004-05	29-07-2005	28-07-2012
2005-06	22-05-2006	21-05-2013
2006-07	26-07-2007	25-07-2014
2007-08	29-07-2008	28-07-2015
2008-09	29-07-2009	28-07-2016

**Profile of the Directors being re-appointed as required under clause 49 of the Listing Agreement entered with Stock Exchange**

Name: **Shri Amit Choksey**

Shri Amit Choksey (56) is Bachelor of Commerce.

Experience: He has over 30 years of experience in managing industries manufacturing various types of Construction Chemicals, Specialty Water Proofing Compounds and Inorganic pigments. He is the Chairman and Managing Director of Mazda Colours Ltd, one of leading manufacturers and exporters of various types of pigments and intermediates;

The Board of Directors had appointed Shri Amit Choksey as an Additional Director of the Company, liable to retire by rotation with effect from 17th June 1992. Shri Amit Choksey is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

His Directorship and Committee Membership of other Public Limited Companies, as at 31st March 2010 is as follows;

Company	Position	Committee membership
Apcotex Industries Limited	Director	Nil
Cons Holdings Limited	Director	Nil
Mazda Colours Limited	Director	Nil
Sammelan Investments and Trading Limited	Director	Nil
Sunshield Chemicals Limited	Director	Nil

He is holding 550400 (11.47%) Equity Shares of Rs. 2/- each of the company.

Name: **Shri Bipin Jhaveri**

Shri Bipin Jhaveri (71) is a B.A, B.Com, Fellow member of Institute of Chartered Accountant of India, and Fellow member of Institute of Company Secretaries of India.

Experience: He has over four decades of experience in the field of accounts, corporate finance and taxation. He has been a member of Bhagwati Committee setup by SEBI to suggest changes in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation 1997, representing Assochem. He has been serving on various Committees of Assochem, Bombay Chamber of Commerce and Industries and Indian Merchant Chambers.

The Board of Directors had appointed Shri Bipin Jhaveri as an Additional Director of the Company, liable to retire by rotation with effect from 9th September 2005. Shri Bipin Jhaveri is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

His Directorship and Committee Membership of other Public Limited Companies, as at 31st March 2010 is as follows;

Company	Position	Committee membership
Apcotex Industries Limited	Director	Audit Committee (Member) Remuneration Committee (Member) Investor Grievance Committee (Member)
Balasesh Leafin Limited	Director	N.A.
Mazda Colours Limited	Director	Remuneration Committee (Chairman)
Nurture Finance Limited	Director	N.A.
Shyamal Finvest (India) Limited	Director	N.A.
Sunshield Chemicals Limited	Director	Audit Committee (Member) Remuneration Committee (Chairman) Investor Grievance Committee (Member)

He is holding 6000 (0.12%) Equity Shares of Rs. 2/- each of the company.

## AEONIAN INVESTMENTS COMPANY LIMITED

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### DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2010.

#### Financial Highlights:

(Rs. in Lacs)

Particulars	2009-2010	2008-2009
Income from operations	274.56	218.12
Profit on Sale of Investments	222.52	207.48
Profit before Depreciation and Tax	392.40	309.63
Less : Depreciation	39.91	47.20
Profit before tax	352.49	262.43
Less : Provisions for Tax		
Current Tax	42.65	15.50
Profit after tax	309.84	246.93
Add : Balance brought forward from previous year	5007.09	4998.30
Add/Less : Short Provisions Written Off	18.53	6.83
Prior Period Items	(1.51)	—
Profit available for appropriation	5333.95	5252.06
<b>Appropriation</b>		
Proposed Dividend	192.00	144.00
Tax on Proposed dividend	32.63	24.47
Transfer to General Reserve	33.00	25.50
Transfer to Reserve fund in terms of Section 45 IC(1) of R.B.I Act, 1934	66.00	51.00
Balance carried forward to Balance Sheet	5010.32	5007.09

### Management Discussion and Analysis

#### Industry Structure and Development

Aeonian Investments Company Ltd. 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 partly with the mutual fund industry. The company handles its investments in the capital market through a reputed portfolio manager.

#### Industry Overview:

After global financial turmoil, the world economy witnessed contraction in 2009-10. In tandem with other economies globally, India too has stepped up fiscal efforts to support growth. The Indian economy recognised to be strong enough to sustain consumer demand and well on the path of growth. The share market reflected the resilience of the Indian economy and the sensex increased from 9600 to 17800 during the year.

#### Operational performance

Income for Operations increased from Rs. 218.12 Lacs to Rs. 274.56 Lacs during the year under consideration. Profit on sale of investments, increased from Rs.207.48 Lacs in the previous year to Rs.222.52 Lacs during the year. Profit before

depreciation and tax increased from Rs. 309.63 Lacs in the year 08-09 to Rs. 392.40 Lacs in the year under review.

**The Profit after Tax:** The Company's Profit after tax increased to Rs.309.84 Lacs during the year under review as compared to Rs.246.93 Lacs in the previous year.

Reserves and Surplus as at 31<sup>st</sup> March, 2010 stand at Rs.8855.82 Lacs

The company's investment portfolio continues to be in equity shares of growth-oriented companies that are capable of not only withstanding the adverse impact of the slow down in the economy but also putting in reasonably good performance. Market Value of quoted investments stand at Rs. 92.15 crores as at 31.03.2010 as compared to Rs.47.83 Crore as at the end of previous year, a growth of Rs.92.67%.

### **Outlook**

With Indian Economy on growth path, long term outlook for company's performance continues to be positive.

### **Risk and Concerns**

Company's performance is closely linked to the Indian Capital Market and consequently to the risks associated with market operations. The value of the company's investments may be affected by factors affecting capital markets such as price and volume volatility, interest rates, currency exchange rates, foreign investment, government policy changes, political and economic developments, crude oil prices and economic performance abroad.

A large part of the company's investments are under the discretionary management of the reputed portfolio manager who operates in several different segments of the financial services industry. The company is therefore exposed to risks associated with the management of its portfolio by the manager.

### **Segment**

The primary segment of the company's business is 'investment in the capital market.'

### **Internal Control Systems and Adequacy**

An adequate system of internal control is in place which mandates maintaining proper accounting records and their periodical verification, is in place and assures reliability of financial information.

### **Cautionary Statement**

**(The statement in this report, including the Management's Discussion and Analysis Report, reflects the company's projections, estimates, expectations and predictions and contains a forward looking statement that involves risk and 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 of 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.)**

### **Dividend**

The Directors are pleased to recommend a dividend of Rs. 4/- (200%) per Equity Share (Previous year Rs. 3/- (150%) per Equity Share) for the financial year ended 31<sup>st</sup> March 2010. Outgo on account of payment of the dividend will absorb Rs. 224.63 Lacs including Dividend Distribution Tax payable by the Company.

### **Appropriation**

In accordance with the provisions of Section 45 IC (1) of the Reserve Bank of India Act, 1934, a sum of Rs. 66.00 lacs being 20% of the profits for the year is transferred to Reserve Fund. Further an amount of Rs. 33.00 Lacs has been transferred to General Reserve. The remaining balance of Rs. 5010.32 Lacs has been carried forward.

### **Directors**

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

The Directors recommend their re-appointment.

### **Directors' Responsibilities 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.

### **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(2AA) of the Companies Act, 1956



## **AEONIAN INVESTMENTS COMPANY LIMITED**

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### **Listing Arrangements**

The shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai and the applicable listing fees have been paid till date. The Company has complied with the requirements of the Listing Agreement entered into with the said Stock Exchange.

### **Conservation of Energy & Technology Absorption**

Being an investment company, the Company has no manufacturing activities, the Directors have nothing to report on Conservation of Energy, Research & Development and Technology Absorption.

### **Foreign Exchange Earnings and outgo**

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 recommend their re-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 Agreement entered into with the Bombay Stock Exchange Limited.

The report on Corporate Governance is enclosed and form part of the Directors' Report.

Certificate from the Company's auditors dated May 7, 2010 regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Ltd is annexed herewith.

### **Secretarial Compliance Certificate**

In accordance with the provisions of Section 383A of the Companies Act, 1956, a certificate from M/s. Manish Ghia & Associates, Practising Company Secretaries, certifying the status on compliance with respect to the applicable provisions of the Companies Act, 1956, is annexed herewith and forms 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**

Mumbai, 7th May, 2010.

## CORPORATE GOVERNANCE

**1. Company's Philosophy on Code of Corporate Governance:**

The Company's philosophy on Corporate Governance is aimed at strengthening the confidence of the shareholders in the Company and building a long term relationship of trust with them by maintaining transparency and periodical disclosures. The Company believes in maintaining high standards of quality and ethical conduct, in its operations.

**2. Board of Directors:**

The Company's Board as of date comprises of 6 members: 6 Non- Executive Directors (NEDs). Of the 6 NEDs, 3 are Independent Directors. The Chairman of the Board is a Promoter of the Company. The number of independent Directors on the Board is in conformity with the requirement of Clause 49 (I) (A) of the Listing Agreement. All the Directors of the Company are eligible to retire by rotation.

Four Board meetings were held during the financial year ended 31<sup>st</sup> March, 2010 i.e. on 12<sup>th</sup> May 2009, 28<sup>th</sup> July 2009, 29<sup>th</sup> October 2009 and 21<sup>st</sup> January 2010

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at last Annual General Meeting, are given below:

Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM
Amit C. Choksey DIN 00001470	Chairman Non-Executive Director	4	Yes
Bhanushankar R. Trivedi DIN 00185895	Non-Executive Director and Independent Director	4	No
Bipin V. Jhaveri DIN 00001648	Non-Executive Director and Independent Director	4	Yes
Dhiren P. Mehta DIN 00001471	Non-Executive Director	4	Yes
Manubhai G. Patel DIN 00001662	Non-Executive Director and Independent Director	4	Yes
Priti A Choksey DIN 00001463	Non-Executive Director	4	No

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairmen of other Committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents, are circulated well in advance of the meeting.

Matter discussed at Board meeting generally relate to Company's investment and their performance, evaluation of the Portfolio manager and advisability or otherwise their continuity, quarterly results of the Company, review of the reports of the Audit Committee and compliance with their recommendation, suggestion, new investment proposals, non compliance of any regulatory, statutory or listing requirements etc.

Relevant information on Directorship held by Company's Directors in Companies other than Aeonian Investments Company Limited as required by Clause 49 (1A) of the Listing Agreement:

Name of Directors	No. of other Directorships held	No. of Audit Committees and Shareholders/Investors Grievance Committees* in which Chairman/member	
		Chairman	Member
Amit C. Choksey	5	Nil	Nil
Bhanushankar R. Trivedi	1	Nil	Nil
Bipin V. Jhaveri	6	Nil	4
Dhiren P. Mehta	4	Nil	1
Manubhai G. Patel	4	4	Nil
Priti A. Choksey	Nil	Nil	Nil

\* As per Clause 49 (I) (C) of the Listing Agreement.