

**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

## **30TH ANNUAL REPORT 2010-2011**

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  
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.  
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” for the purpose of Reg 3(1)(e) (i) of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation 1997.**

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 Thirtieth Annual General Meeting of the Members of **Aeonian Investments Company Limited** will be held on **Tuesday, 26th July, 2011** at **10.30 A.M.** at **M. C. Ghia Hall, Bhoghilal Hargovindas Building, 2nd 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, 2011, 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 Bhanushankar R Trivedi, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Manubhai G Patel, 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, 10th May, 2011

### **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 are requested to bring their attendance slip along with their copy of annual report to 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 **Tuesday, 19th July, 2011 to Tuesday, 26th July, 2011** (both days inclusive) in connection with the ensuing Annual General Meeting (AGM) and the payment of dividend.
6. The dividend as recommended by the Board of Directors, if approved by the Members at the AGM shall be paid to those Members, whose names appear on the Register of members of the Company as on Tuesday, 26th July, 2011. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as at the close of 26th July, 2011, 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 mandate/bank details and other correspondence to the Company's Registrar & Transfer Agents, M/s. Link Intime Spectrum Registry Private Limited at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.
9. Members are hereby informed that the Company has transferred to the Central Government all unclaimed dividends relating to financial years upto 31-3-2003 and all unclaimed interim dividend pertaining to

financial year 31-03-04. Members who have so far not encashed their dividend warrants for below mentioned financial years, 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 herein below:

Financial Year	Date of declaration of Dividend	Last date for for claiming unpaid dividend
2003-04	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
2009-10	29-07-2010	28-07-2017

#### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

Members who hold shares in physical form should send a scanned copy of their letter requesting for registering/ changing their existing email ID bearing the signature of Sole/First shareholder on [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or write to Registrar and Share Transfer Agents of the Company at their following address and inform their email ID quoting their folio number. The letter should be signed by Sole/First holder as per the specimen signature recorded with Registrar and Share Transfer Agents:

#### M/s. Link Intime India Private Ltd.

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

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

##### Name: **Shri Bhanushankar R. Trivedi**

Shri Bhanushankar Trivedi (85) is an under Graduate.

Experience: He has over 50 years of experience in working in industries. He has vast experience in the field of Exports, Sales, Marketing and Managing Investments

The Board of Directors had appointed Shri Bhanushankar Trivedi as an Additional Director of the Company, liable to retire by rotation with effect from 14th October 1988. Shri Bhanushankar Trivedi is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Company	Position	Committee membership
Mazda Colours Ltd.	Director	Remuneration Committee (Member)

He is holding 1000 (0.02%) Equity Shares of ₹ 2/- each of the Company.

##### Name: **Shri Manubhai Patel**

Shri Manubhai Patel (76) is a Commerce Graduate and a Fellow Member of Institute of Chartered Accountant of India as also a Graduate in Law.

Shri Manubhai Patel has more than four decades of experience in the field of accounts, finance and taxation. He was a member of the Central Council of the Institute of Chartered Accountants of India (ICAI), New Delhi from 1980 to 1988 and active member of various Standing and Non-Standing Committees of the ICAI. He was the President of Income Tax Appellate Tribunal Bar Association, Ahmedabad for the years 1997-98 to 2000-01 and was a Member of Central Direct Tax Advisory Committee of the Government of India, New Delhi for the years 1986-90.

The Board of Directors had appointed Shri Manubhai G Patel as an Additional Director of the Company, liable to retire by rotation with effect from 21st April 2005. Shri Manubhai Patel 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 2011 is as follows;

Company	Position	Committee membership
ApcoTex Industries Limited	Director	Audit Committee (Chairman) Remuneration Committee (Member) Shareholder Grievance Committee (Chairman)
Banco Products (India) Limited	Director	—
Gujarat State Financial Services Limited	Director	Audit Committee (Chairman) Investment Committee (Member)
Sunshield Chemicals Limited	Director	Audit Committee (Chairman) Remuneration Committee (Member)

He is presently Chairman of the Audit Committee of the Board of Directors of the Company.

He does not hold any Shares in the Company.

## AEONIAN INVESTMENTS COMPANY LIMITED

### DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirtieth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2011.

#### **Financial Highlights:**

(₹ in Lakhs)

Particulars	2010-2011	2009-2010
Income from operations	194.94	274.56
Profit on Sale of Investments	186.85	222.53
Profit before depreciation and Tax	188.11	392.41
Less : Depreciation	35.41	39.91
Profit before tax	152.70	352.50
Less : Provisions for Tax		
Current Tax	12.00	42.65
Profit after tax	140.70	309.84
Add : Balance brought forward from previous year	5010.32	5007.09
Add/Less : Short Provisions Written Off	6.55	18.53
Prior Period Items	—	(1.51)
Profit available for appropriation	5157.57	5333.95
<b>Appropriation</b>		
Proposed Dividend	192.00	192.00
Tax on Proposed dividend	31.15	32.63
Transfer to General Reserve	15.00	33.00
Transfer to Reserve fund in terms of Section 45 IC(1) of R.B.I Act, 1934	30.00	66.00
Balance carried forward to Balance Sheet	4889.42	5010.32

#### **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:**

Till October 2010, there was a widespread optimism in the Capital Market about the growth prospects of the economy. Near term policy hiccups took centre stage. Market participants are particularly concerned about unabated corruptions, activist environment ministry and continuing high inflation. Market fears that these factors have the potential to derail India's growth story. Market indices have been declining because of these factors. On the other hand, equities in the developed world witnessed buying at the expense of emerging market. FII net flows during the year remained marginally negative and were one of the factors that affected the confidence of the Indian Capital Market.

Given this background, Capital Market will closely monitor global headwinds and global liquidity and also domestic inflationary trends.

**Operational performance**

Income for Operations decreased from ₹ 274.56 Lakhs to ₹ 194.94 Lakhs during the year under consideration. Profit on sale of investments, decreased from ₹ 222.53 Lakhs in the previous year to ₹ 186.85 Lakhs during the year under review. Profit before depreciation and tax decreased from ₹ 392.40 Lakhs in the year 09-10 to ₹ 188.11 Lakhs in the year under review.

**The Profit after Tax:** The Company's Profit after tax decreased to ₹ 140.70 Lakhs during the year under review as compared to ₹ 309.84 Lakhs in the previous year.

Reserves and Surplus as at 31st March, 2011 stand at ₹ 8779.92 Lakhs. The net worth of your Company at the year end stands at ₹ 76.55 crores which translates to a book value of ₹ 159 per share.

The company's investment portfolio continues to be in equity shares of growth-oriented companies that are capable of withstanding the adverse impact of the slow down in the economy.

**Outlook**

The results announced so far show that Indian Companies have held their own in terms of topline and bottomline growth despite pressure on margins arising from rising input materials costs and cost of borrowings.

**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 however 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, by the Management and the Statutory Auditors.

**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 ₹ 4/- (200%) per Equity Share (Previous year ₹ 4/- (200%) per Equity Share) for the financial year ended 31st March 2011. Outgo on account of payment of the dividend will absorb ₹ 223.15 Lakhs 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 ₹ 30.00 lakhs being 20% of the profits for the year is transferred to Reserve Fund. Further an amount of ₹ 15.00 Lakhs has been transferred to General Reserve. The remaining balance of ₹ 4889.42 Lakhs has been carried forward.

**Directors**

In accordance with the Articles of Association of the Company, Shri Bhanushankar R Trivedi and Shri Manubhai G Patel, 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.



## AEONIAN INVESTMENTS COMPANY LIMITED

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### **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

### **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.

### **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 10, 2011 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 to this Report.

### **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 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, 10th May, 2011.

## REPORT ON 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 on date comprises of six members: All the six are Non- Executive Directors (NEDs). Of the six NEDs, three are Independent Directors. The Chairman of the Board is the 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 31st March, 2011 i.e. on **7th May 2010, 28th July 2010, 26th October 2010 and 3rd February 2011**

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	3	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 Board 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.

Matters discussed at the Board Meeting generally relate to Company's investment and their performance; Performance of the Portfolio Manager; Quarterly Results of the Company; Review of the reports of the Audit Committee and compliance with their recommendation; suggestion from the Directors; 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 is as under:

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	2
Manubhai G. Patel	4	4	Nil
Priti A. Choksey	Nil	Nil	Nil

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