



AEONIAN INVESTMENTS CO. LTD.



32ND ANNUAL REPORT 2012-2013

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

Commitment
Strategic
Faith
Optimism
Courage
Dynamism
Insight
Loyalty

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
Vispi R. Patel	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

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 Promoter group for the purpose of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

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

AEONIAN INVESTMENTS COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Members of **Aeonian Investments Company Limited** will be held on **Tuesday, 25th June 2013** at 11.30 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, 2013, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Amit C. Choksey, who retires by rotation and , being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Bipin V. Jhaveri, who retires by rotation and , being eligible, offers himself for re-appointment.
4. To appoint M/s. Ravi A. Shah & Associates, Chartered Accountants, Mumbai as Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**.
"RESOLVED THAT pursuant to the provisions of Section 512(1)(a), Section 457 and other applicable provisions of the Companies Act, 1956, Shri Falee Bilimoria, the Liquidator be and is hereby authorized as he may in his absolute discretion deem proper:
a) To institute or defend any suit, prosecution, or other legal proceeding, civil or criminal, in the name and on behalf of the Company;
b) to carry on the business of the Company so far as may be necessary for the beneficial winding up of the Company;
c) to sell all or any of the immovable and/or movable property, investments in shares and in the units of mutual funds, tenancy rights, actionable claims of the Company by public auction or private contract, with power to transfer the whole thereof to any person or body corporate, or to sell the same in parcels;
d) to do all such other acts, deeds, matters and things as may be necessary, proper or expedient for the effective and complete winding up of the Company and distribution of its assets.
6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**.
"RESOLVED THAT shareholder holding shares in physical form shall have the option to be exercised to receive the shares distributed in-specie in physical form within four weeks of receiving the intimation from the Liquidator
FURTHER RESOLVED THAT Shri Falee Bilimoria, the Liquidator be and is hereby authorized to sell those shares for which the intimation is not received from the shareholders holding shares in physical form and to distribute the net proceeds thereof among them as per their entitlement"

By order of the Board
Aeonian Investments Company Limited,

Amit C. Choksey
Chairman

Mumbai, 30th April, 2013

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 him-self/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. 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.
5. The company is using National Electronic Clearing Services (NECS) for remittance. Members holding shares in physical form are requested to notify/send any change in their address / mandate / bank details; and Particulars of their bank account, in case the same have not been sent earlier to the Company's Registrar and Share Transfer Agent at: M/s. Link Intime India Private Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup - (w), Mumbai-400 078, immediately.
6. Members holding shares in the electronic form are requested to inform any change in address / bank mandate directly to their respective Depository Participants. The address / bank mandate as furnished to the Company by the respective Depositories.
7. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corpo-rate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including An-nual 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 their electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form should send letter requesting for registering/changing their existing email ID bearing the signature of Sole/First shareholder to Company's Registrar & Transfer Agents, M/s. Link Intime India Private Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup - (w), Mumbai-400 078.
8. Members are hereby informed that the Company has transferred to the Cen-tral Government all unclaimed

dividends relating to financial years upto 31.03.2005. 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, administrated 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	Tentative Due Date for transferring unclaimed dividend to IEPF fund
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
2010-11	26-07-2011	25-07-2018
2011-12	07-08-2012	06-08-2019

Explanatory Statement under Section 173 of the Companies Act, 1956

Item No. 5

The shareholders at the extra ordinary general meeting of the members of the Company held on April 29, 2013, have resolved to carry out the liquidation of the Company and distribution of surplus assets partly in specie and partly by way of cash. As per provision of Section 512(1)(a) read with Section 457(1), the approval of the shareholders is required to institute or defend any suit, to carry on business for beneficial winding up of the Company, to sell immovable and movable property and other matters.

The consent of the members by Special Resolution is sought to achieve the aforesaid objectives.

None of the Directors are interested in the resolution, except to the extent of their respective shareholding in the Company.

The Directors recommend the special resolution for your approval.

Item No. 6

The Liquidator will be distributing part of the investments in shares of listed companies in specie. The shareholders holding shares in physical form, will be required to intimate the Liquidator within four weeks of the receipt of intimation from the Liquidator to receive those shares in physical form. In case no intimation is received, the Liquidator, will dispose off those shares and will distribute the net proceeds to them as per their entitlement.

None of the Directors are interested in the resolution, except to the extent of their respective shareholding in the Company.

The Directors recommend the special resolution for your approval.

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty first Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2013.

Financial Highlights:

(₹ in Lakhs)

Particulars	2012-13	2011-12
Income from operations	284.64	250.10
Profit on Sale of Investments	1169.63	248.35
Total Revenue	1454.27	498.45
Profit before Depreciation and Tax	1402.38	467.88
Less : Depreciation	26.91	31.89
Profit before Tax	1375.47	435.99
Less : Provisions for Tax		
Income Tax	260.00	54.00
Wealth Tax	0.00	7.00
Profit after tax	1115.47	374.99
Add : Balance brought forward from previous year	4927.27	4889.43
Add/Less : Short Provisions Written Off	---	--
Profit available for appropriation	6042.74	5264.42
Appropriation		
Proposed Dividend	--	192.00
Tax on Proposed dividend	--	31.15
Transfer to General Reserve	120.00	38.00
Transfer to Reserve fund in terms of Section 45 IC(1) of R.B.I Act, 1934	240.00	76.00
Balance carried forward to Balance Sheet	5682.74	4927.27

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. The Company handles its investments in the capital market through a reputed portfolio manager.

Industry Overview:

World economy has been facing problems in number of countries with falling growth rates, heavy borrowings by multinational companies without matching assets; fears of rising inflation; heavy government expenditure with inadequate revenues resulting in sizable fiscal deficits.

Indian economy has been performing well below what was predicted earlier. India's GDP growth rate has slumped to the lowest level in a decade. Industrial growth has slowed to the lowest level in two decades, due to decline in private investment, slackening exports despite the crumpling of Indian currency, falling electricity output, falling auto sales. Joblessness is one of the highest. All these are causes for great concern during the current slowdown.

Fiscal Deficit in the country continued to rise with dwindling exports, static imports, falling rupee etc. Investments in infrastructure crucial to driving growth, are lagging behind for want of funds.

Slowdown of the economy was clearly visible with some of the industrialists expressing concern that companies have been hesitant to make large investments in the country. The ruling government has not taken any major steps in this regard.

Political climate has also been full of uncertainties due to which populist programs may come about rather than hard edged governance, due to fast approaching elections.

Country risk for the nation at present is pretty elevated and there is a fear that the country may face a downgrade by the International Rating Agencies which may further slowdown Foreign Direct Investment (FDI) as also investments of

Foreign Institutions in the corporate sector. FDI has been sizably less in the F.Y.12-13 as compared to that of the previous year.

Operational performance

Total Revenues increased from 498.45 Lakhs to 1454.27 Lakhs during the year under consideration. Profit before depreciation and tax increased from 467.88 Lakhs in the financial year 2011-12 to 1402.38 Lakhs in the year under review.

The Profit after Tax: The Company's profit after tax increased to Rs. 1115.47 Lakhs during the year under review as compared to Rs.374.99 Lakhs in the previous year.

Reserves and Surplus as at 31st March, 2013 stand at 10047.24 Lakhs. The net worth of your Company at the year end stands at 10143.24 Lakhs which translates to a book value of 211 per share.

The Company's investment portfolio managed by Portfolio Managers, M/s. Enam Securities Private Limited continues to be in equity shares of growth-oriented companies.

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.

Public Shareholding:

Your Directors would like to bring to your kind attention the requirement of Clause 40A of the Listing Agreement entered into by the Company with Stock Exchanges, which now necessitates minimum continuous public share holding of 25% in the capital base of the Company. The public shareholding in your Company presently stands at marginally more than 13%. Methods suggested by SEBI to increase public shareholding were found by the management difficult to implement in practice. Your Company had discussions with reputed merchant bankers and their views emanating from the experience of other similarly placed Companies, were of the same nature. The Board was informed accordingly.

The last date for achieving the Public Shareholding of 25% as intimated to the Company is 3rd June, 2013.

Voluntary winding up of the Company:

Your Directors believed that presently the Company has a good asset base which can be encashed to benefit the shareholders rather than continuing the operations of the Company in uncertain times indicating slow down presently faced by various sectors of the economy viz. industrial and services sectors etc. Your Directors felt it prudent for the Company and in the interest of the Shareholders to distribute the net assets of the Company under voluntary winding up amongst its shareholders under the applicable statutes rather than face sizable erosion in the value of the said assets because of weak economy. This would also give early benefits thereof to the shareholders.

Your Directors accordingly convened an Extra-ordinary General Meeting of the shareholders of the Company on 29th April, 2013 at M.C. Ghia Hall, Kala Ghoda, Mumbai-400 023, for obtaining their approval for the voluntary winding up of the Company and appointment of Shri. Falee Bilimoria, Partner of M/s. Kalyaniwala & Mistry, Chartered Accountants as Liquidator for the purpose

Segment

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

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

in view of the proposed voluntary winding up of the Company, your Directors do not propose to recommend any dividend for the year under consideration.

Appropriation

In accordance with the provisions of Section 45 IC (1) of the Reserve Bank of India Act, 1934, a sum of ` 240.00 lakhs being 20% of the profits for the year has been transferred to Reserve Fund. Further an amount of ` 120.00 Lakhs has been transferred to General Reserve. The remaining balance of ` 5682.74 Lakhs has been carried forward.

Directors

In accordance with the Articles of Associations of the Company, Shri Amit Champaklal Choksey and Bipin Vithaldas 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

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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

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 forms part of the Directors' Report.

Certificate from the Company's Auditors dated April 29, 2013 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 put on record their sincere thanks for the 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, 29th April, 2013.

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 seven members: All the seven are Non- Executive Directors (NEDs). Of the seven NEDs, four 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.

Six Board Meetings were held during the financial year ended 31st March, 2013 i.e. on **11th May, 2012, 6th August, 2012, 13th September, 2012, 6th November, 2012, 25th January, 2013, 26th March, 2013.**

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	6	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	6	Yes
Dhiren P. Mehta DIN 00001471	Non-Executive Director	6	Yes
Manubhai G. Patel DIN 00001662	Non-Executive Director and Independent Director	6	Yes
Priti A Choksey DIN 00001463	Non-Executive Director	6	No
Vispi R Patel DIN 00211464	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	4	Nil	Nil
Bhanushankar R. Trivedi	1	Nil	Nil
Bipin V. Jhaveri	5	Nil	3
Dhiren P. Mehta	3	Nil	1
Manubhai G. Patel	3	3	Nil
Priti A. Choksey	Nil	Nil	Nil
Vispi R. Patel	Nil	Nil	Nil

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

AEONIAN INVESTMENTS COMPANY LIMITED

None of the Directors on the Board hold the office of Director in more than 15 Companies or hold Membership of Committee of the Board in more than 10 Committees or Chairmanship of more than 5 Committees

Code of Conduct

The Board has formulated a Code of Conduct for the Board members.

All Board members have affirmed their compliance with the code. A declaration to this effect signed by the Chairman of the Company is given in the Annual Report.

3. Audit Committee

The Committee comprises of independent and non-executive directors having financial background and knowledge in the area of business of the Company. The Committee comprises of Shri M.G.Patel, Shri Bipin V. Jhaveri and Shri Dhiren P. Mehta.

Four Audit Committee Meetings were held during the financial year 2012-13 i.e. on 11th May, 2012, 6th August, 2012, 6th November, 2012, 25th January, 2013.

Attendance at Audit Committee Meetings:

Name of the member	Designation	No. of Meetings attended
Manubhai G. Patel	Chairman	4
Bipin V. Jhaveri	Member	4
Dhiren P. Mehta	Member	4

The Statutory Auditors also attended the Audit Committee Meetings.

The Audit Committee of the Company has such powers as are detailed under Section 292 A of the Companies Act, 1956 and also Clause 49 of the Listing Agreement. The Broad terms of reference include the following:

1. Reviewing the performance of Company's investments as reflected in the financial statements, as also compliance with accounting policies and practices, regulatory requirements concerning the said financial statements.
2. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are properly drawn up, sufficient and credible.
3. Recommending the appointment/removal of Statutory Auditors, fixation of Audit Fees and approval of payments for any other services to them.
4. Reviewing the adequacy of Internal Control Systems in the Company.
5. Discussing with the Statutory Auditors, any significant findings in their reports, taking suitable action necessary on such findings where necessary and follow-up thereon.
6. Broadly reviewing the Company's financial and risk management policies.

4. Remuneration of Directors

Presently none of the Directors of the Company is drawing any remuneration except Sitting Fees for each Meeting of the Board or their Committees.

Non Executive Directors were paid Sitting Fees at the rate of ₹ 5,000/- (Rupees Five Thousand Only) for each Meeting of the Board of Directors or Committee(s) thereof, attended by them.

The Company has not advanced any loans to any of the Directors.

The Directors' Sitting Fees paid in financial year, 2012-13 and their shareholding in the Company as on 31st March 2013 are given below: