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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. G. M. Gandhi
Managing Director

Mr. C. M. Maniar
Non-Executive Director

Mr. C. C. Dalal
Non-Executive Director

Mr. N. A. Rathod
Non-Executive Director

Mr. A. B. Desai
Non-Executive Director

MANAGEMENT PERSONNEL

Mr. R. M. Bhatia
Chief Financial Officer

Mr. A. J. Chandra
Company Secretary

AUDITORS

M/s. Jayesh Dadia & Associates
Chartered Accountants

REGISTERED OFFICE

1218, Maker Chambers V,
12th Floor, Nariman Point, Mumbai 400 021.
Tel: 022 6618 6633 / 2202 1171
Fax: 022 2204 9195
Email: investor.relations@pinc.co.in
website : www.pinc.co.in

REGISTRARS & SHARE TRANSFER AGENTS

Satellite Corporate Services Private Ltd.
B-302, Sony Apartments,
Opp. St. Jude High School,
Off Andheri Kurla Road,
Jarimari, Sakinaka, Mumbai - 400 072.
Tel: 022 2852 0461/ 62
Fax: 022 2851 1809
Email: service@satellitecorporate.com

Members may please note that e-copy of Annual Report 2011-12 would be sent to those shareholders who have requested to receive an e-copy of Annual Report as part of green initiative undertaken by the Company and the same would also be available on www.pinc.co.in. To promote the green initiative undertaken by the Company, all members are requested to register/notify to the Registrars & Share Transfer Agents of the Company, their email id's for receiving an e-copy of Annual Report in future.

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of Pioneer Investcorp Limited will be held on Friday, 7th, September, 2012, at 11.30 a.m., at Kilachand Conference Room, 2nd floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2012 and the Balance Sheet as at that date together with Reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2012.
3. To appoint a Director in place of Mr. C. M. Maniar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. B. Desai, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors.

“RESOLVED THAT M/s. Jayesh Dadia & Associates, Chartered Accountants (Firm Reg. No. 121142W) be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors, which remuneration may be paid on a progressive billing basis to be agreed between the Auditors and the Board of Directors”.

By order of the Board,

Registered Office:
1218 Maker Chambers V, 12th Floor,
Nariman Point, Mumbai 400 021.

Dated: 2nd August, 2012.

Amit Chandra
Company Secretary

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself on a poll and a proxy need not be a member. A proxy in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Transfer Books in respect of the Equity Shares of the Company will remain closed from 1st September, 2012, to 7th September, 2012, (both days inclusive).
3. Dividend on Equity Shares, when sanctioned, will be made payable on or after 7th September, 2012, to those Shareholders whose names stand on the Company's Register of Members on Friday, 7th September, 2012. In respect of Shares held in electronic form, the dividend will be paid on the basis of beneficial ownership position as at the end of the day on Friday, 31st August, 2012 as per data to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL) for this purpose.
4. Members are hereby informed that dividends which remain unclaimed / unencashed over a period of 7 years have to be transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Sec. 205(A) & 205(C) of the Companies Act, 1956.

5. The following are the details of dividend paid by the Company and its respective due date of transfer to such fund of the Central Government, which remain unpaid.

Sr. No.	Date of Declaration	Dividend for the year	Due date of transfer to the Government
1	30th January, 2006	Interim Dividend 2005-06	1st March, 2013.
2	31st August, 2006	Final Dividend 2005-06	1st October, 2013.
3	20th September, 2007	Dividend 2006-07	20th October, 2014.
4	21st August, 2008	Dividend 2007-08	20th September, 2015.
5	11th August, 2010	Dividend 2009-10	10th September, 2017.
6	28th July, 2011	Dividend 2010-11	27th August, 2018

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividend, which has been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Sec. 205(B) of the Companies Act, 1956. In view of the above, those Shareholders who have not encashed their dividend warrants are advised to send all the unclaimed dividend warrants to the Registrar & Share Transfer Agents or to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

6. Members are requested to notify immediately any change in their address to the Company's Registrars and Share Transfer Agents, M/s. Satellite Corporate Services Private Limited, at their address at B-302, Sony Apartments, Opp. St. Jude High School, Off. Andheri Kurla Road, Jarimari, Sakinaka, Mumbai - 400072. Tel. No: 022-2852 0461 / 2852 0462 Fax no.: 022-2851 1809 Email Address:- service@satellitecorporate.com.
7. Members desiring any information on the Accounts are requested to write to the Company at least 10 days prior to the date of the Meeting to enable the Management to keep the information ready.
8. Members are requested to bring their copy of the Annual Report to the Meeting.

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting their Twenty Seventh Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the year ended 31st March, 2012.

Financial Highlights	2011-2012 (₹ in lakhs)	2010-2011 (₹ in lakhs)
Profit before Extraordinary Items	1033.68	2131.65
Less : Extraordinary Item	289.97	–
Profit before Tax	743.71	2131.65
Less:- Provision for Tax	320.00	725.00
Add :- Deferred Tax Assets	194.43	4.91
Less: Short provision for tax of earlier year	222.43	22.67
Net Profit after Tax	395.71	1388.89
Add: Balance Brought Forward from the Previous Financial Year	1988.79	1243.31
Less: Proposed Dividend	61.49	123.39
Less: Tax on Proposed Dividend	9.97	20.02
Less: Transfer to General Reserve	–	500.00
Balance Carried Forward to Balance Sheet	2313.04	1988.79

Performance Review

After two years of strong growth, the Indian economy came under pressure in the Financial Year 2011-12. The Gross Domestic Product (GDP) growth rate fell to 6.1% during the December quarter, the lowest in almost three years. As a consequence of the resulting uncertain economic environment, global investors withdrew their capital from the Indian markets. The net investment by Foreign Institutional Investors (FIIs) in Indian stock markets during Financial Year 2011-12 was the lowest in the last three years at ₹47,935 crore. This movement also triggered the weakening of the Indian Rupee with Dollar – Rupee exchange rate moving from INR 44.5 = 1 USD to INR 57.22 = 1 USD during 1st quarter of Financial Year 2012-13.

The Indian capital markets also suffered during Financial Year 2011-12 providing negative returns for the first time in three years. The subdued sentiments of the domestic investors is reflected in the fact that even mutual funds were net sellers in the equity markets to the tune of ₹1,280 crore during this year.

High interest rates prevailing in the debt markets diverted flows from equity markets to debt markets. During Financial Year 2011-12, a total of about 9.5 lakh new investor accounts were opened in the country, which is almost half of about 19 lakh new accounts opened during previous Financial Year 2010-11. The pressures on the capital markets are further highlighted by the Initial Public Offering (IPO) statistics for the year; during Financial Year 2011-12 (34 Companies) raised only ₹ 5,892.88 crore - the second lowest since Financial Year 2004-05.

While the Government of India has proposed various initiatives to alleviate the prevailing situation such as allowing Qualified Foreign Investors (QFIs) to access Indian Corporate Bond Market and simplifying the process of IPOs, the challenges offered by an uncertain global situation and delays in domestic policy implementation could prolong the misery of the Indian economy.

Despite a volatile economic and market environment during the year, the Company is maintaining its relationship with its existing clientele by providing financial advisory services including Equity, Debt and Bonds placements and dynamically building new relationship in its portfolio of clients to enable the Company to take advantage of future opportunities as and when economic conditions improve.

The Indian economy slowdown factors affected both the standalone and consolidated top and bottom line of the Company. Standalone total income for the year under review, reduced to ₹ 3797.68 lakhs as against ₹ 4871.02 lakhs and Profit before tax reduced to ₹ 743.71 lakhs as against ₹ 2131.65 lakhs, and Consolidated Revenue from Total Income reduced to ₹ 6641.75 lakhs as against ₹ 8930.11 lakhs and the Profit before Tax reduced to ₹ 1065.73 lakhs as against ₹ 2656.93 lakhs, for the previous year.

Coal Consultancy

The coal consultancy division of the Company continued its offering Coal Consultancy Services as part of the Investment Banking services. The said division has clocked revenues to the tune of ₹ 678 lakhs during the year under review as against revenues of ₹ 475 lakhs, for the previous year.

Share Capital

During the year under review, the Company has not issued Equity Shares consequently, the issued, subscribed and paid up Equity Share Capital remains to ₹ 1229.69 lakhs as of March 31st, 2012.

Dividend

During the year under review, due to a lower net profit and to conserve resources, the Board of Directors of the Company, has for the year ended March 31st, 2012, recommended a dividend @ 5% percent (paise 50 (fifty) per Equity Share of face value of ₹ 10/- each), subject to approval of the shareholders at the Annual General Meeting. The dividend, if declared as above, would involve an outflow of ₹ 61.48 lakhs towards dividend, and ₹ 9.97 lakhs towards dividend tax, resulting in a total outflow of ₹ 71.45 lakhs.

Subsidiary Companies

During the year under review, the Company has eight Wholly Owned Subsidiaries including one overseas subsidiary.

The Company has withdrawn the application for licence from Monetary Authority of Singapore (MAS) for its Singapore operations and existed its operations, considering global gloomy business environment.

The Management has restructured human resources in its Institutional broking and Equity Research operations of Infinity.Com Financial Securities Ltd., due to falling volumes in equity market, cost escalation and stiff competition.

The Company's subsidiary PINC Energy Resources Pvt. Ltd., engaged in coal trading and trading in other commodities has clocked turnover of ₹ 16462.00 lakhs and revenues to the tune of ₹ 65.00 lakhs.

Consolidated Financial Statements

In terms of General Circular of Ministry of Corporate Affairs (MCA) granting exemption to all the Companies having subsidiaries, not to attach to the Holding Companies Balance Sheet, Accounts and other documents of all its existing subsidiaries, including its overseas subsidiaries, the Board of Directors of the Company has resolved not to publish and attach copies of the standalone Annual Audited Accounts of all its existing subsidiaries, including its overseas subsidiary, and instead to publish the Consolidated Accounts. Copies of the Annual Audited Accounts of all its existing subsidiaries, including its overseas subsidiary, can also be sought by a member of the Company on making a written request to the Company in this regard. The Accounts of these subsidiaries are also available for inspection for members of the Company at the Registered Office of the Company. The Company has attached the Consolidated Financial Statements in this Annual Report, which includes the Accounts of all its existing subsidiaries, including its overseas subsidiary.

Directors Responsibility Statement

As required by Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
- ii) The Directors had selected such accounting policies and have applied them consistently and made judgments 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 loss of the Company for the year under review;
- iii) The Directors had 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; and
- iv) The annexed Annual Accounts for the Accounting Year ended on 31st March, 2012, have been prepared on a going concern basis.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement, is given as a separate statement in the Annual Report.

Fixed Deposits

The Company has not accepted any Fixed Deposits during the year.

Directors

In accordance with Section 255 and 256 of the Companies Act 1956, and read with Articles 105, 106 and 107 of the Articles of Association of the Company, Mr. C. M. Maniar and Mr. A. B. Desai, Directors of the

Company retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual general Meeting of the Company.

As per the requirements of the Clause 49 of the Listing Agreement, brief resume of both the Directors proposed to be re-appointed, their qualification, experience and the names of the Companies in which they hold directorship, membership of the board committees, are provided in the Corporate Governance Report forming part of the Annual Report.

Auditors and Auditors Report

M/s. Jayesh Dadia & Associates, Chartered Accountants (Firm Reg. No. 121142W) and Auditors of the Company, will retire at the conclusion of the ensuing Annual General meeting, and being eligible, offer themselves for reappointment. The Company has received a certificate from the Auditors to the effect that their reappointment if made, would be in accordance with Section 224 (1B) of the Companies Act, 1956. The Board recommends their appointment.

The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further explanation.

Particulars of Employees

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956, and the rules framed there under, the names and other particulars of employees are set out in the Annexure to the Directors' Report. In terms of the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

Conservation of Energy, Technology Absorption, Foreign Earnings and Outgoings

The Company has no activities involving conservation of Energy and Technology absorption.

The details of Company's foreign exchange earnings and outgo during the year under review are given in Note no.23 of financial statements.

Employee Stock Option Schemes

The disclosures required to be made in the Directors' Report in respect of Employees Stock Option Schemes 2006, 2007 and 2010, in terms of the SEBI (Employee Stock Option Scheme) Guidelines, 1999, are mentioned in the Annexure, forming part of the Directors' Report.

Corporate Governance Report

The Company has complied with all the mandatory provisions of the Clause 49 of the Listing Agreement.

As part of the Company's efforts towards better corporate practice and transparency, a separate report on Corporate Governance compliances is included as a part of Annual Report.

Acknowledgments

The Board wishes to express its deep appreciation to all the staff members for their excellent contribution and to the Bankers, shareholders and customers for their continued support.

On behalf of the Board of Directors

Mumbai
2nd August, 2012.

G. M. Gandhi
Managing Director

C. C. Dalal
Director

ANNEXURE TO THE DIRECTORS' REPORT

Employee Stock Option Scheme

The stock options granted to the employees currently operate under Three schemes, namely "Pioneer Investcorp Limited Employee Stock Option Scheme, 2006" (ESOP Scheme - 2006), "Pioneer Investcorp Limited Employee Stock Option Scheme, 2007" (ESOP Scheme - 2007) and "Pioneer Investcorp Limited Employee Stock Option Scheme, 2010" (ESOP Scheme - 2010)

The Disclosures of all these Schemes, as on 31st March, 2012, in terms of Clause 12 of SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999, are as follows:-

Particulars	ESOP Scheme - 2006	ESOP Scheme - 2007	ESOP Scheme - 2010
a. Total grants authorized by the Plan (No.)	10,00,000	20,00,000	20,00,000
b. Pricing formula on date of grant	It is discounted to 30% of the closing market price of the Shares of the Company at Bombay Stock Exchange Limited prior to the day on which the options were granted.	It is the closing market price of the Shares of the Company at Bombay Stock Exchange Limited prior to the day on which the options were granted.	It is the closing market price of the Shares of the Company at Bombay Stock Exchange Limited prior to the day on which the options were granted.
c. Variation in terms	No variations made in the terms of the options granted.	No variations made in the terms of the options granted.	No variations made in the terms of the options granted.
d. Options granted during the year (No.)	Nil	3,60,000	20,00,000
e. Weighted Average Price per option granted	₹ 22.05	₹ 43.60	₹ 43.60
f. Options vested as of March 31, 2012 (No.)	1,34,600	6,27,000	Nil
g. Options exercised during the year (No.)	Nil	Nil	Nil
h. Money raised on exercise of options	Nil	Nil	Nil
i. Options forfeited and lapsed during the year (No.)	18,000	47,800	Nil
j. Total number of options in force at the end of the year (No.)	1,34,600	9,87,000	20,00,000
k. Employee-wise details of options granted to			
i) Senior management	None	Sushant Kumar 2,00,000 Pramod Kasat 1,00,000	Sushant Kumar 10,00,000 Pramod Kasat 10,00,000

Particulars	ESOP Scheme - 2006	ESOP Scheme - 2007	ESOP Scheme - 2010
ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year.	None	Ketan Desai 60,000	None
iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	Sushant Kumar 2,00,000 Pramod Kasat 1,00,000	Sushant Kumar 10,00,000 Pramod Kasat 10,00,000
l. Basic/Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with (Accounting Standard (AS) 20 Earnings per share).	Before Extra Ordinary Item ₹ 5.58	Before Extra Ordinary Item ₹ 5.58	Before Extra Ordinary Item ₹ 5.58
	After Extra Ordinary Item ₹ 3.22	After Extra Ordinary Item ₹ 3.22	After Extra Ordinary Item ₹ 3.22
m. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and EPS of the Company shall also be disclosed.	Increase in profit by ₹ 6,48,943	Increase in profit by ₹ 21,21,463	Decrease in profit by ₹ 1,36,07,943
	Increase in Basic/Diluted EPS - ₹ 0.05	Increase in Basic/Diluted EPS - ₹ 0.17	Decrease in Basic/Diluted EPS - ₹ 1.11
n. Weighted - average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise Price - ₹ 22.05	Exercise Price - ₹ 89.54	Exercise Price - ₹ 43.60
	Fair Value - ₹ 19.72	Fair Value - ₹ 48.72	Fair Value - ₹ 16.14

Particulars	ESOP Scheme - 2006	ESOP Scheme - 2007	ESOP Scheme - 2010
o. A Description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information :			
(a) Risk free interest rate	8%	8%	8%
(b) Expected life	7 - 10 Years	7 - 10 Years	7 - 10 Years
(c) Expected volatility	48.89%	22.63% - 64.36%	22.63%
(d) Expected dividends	1.59%	0.42% to 2.29%	2.29%
(e) Price of the underlying share in the market at the time of option grant	₹ 31.50.	₹ 43.60 to ₹ 294.61	₹ 43.60

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The Company and its wholly owned subsidiary Pioneer Money Management Ltd. are SEBI registered category – I Merchant Banker, and provide Investment Banking and Financial Advisory Services. The Company offerings include formulating capital structure, raising capital, debt restructuring, project financing, coal consultancy and other corporate advisory services. Its Wholly Owned Subsidiary provides services in the area of Secondary capital market like open offer in Takeovers, Right issue, Buy-back, Mergers and Amalgamation, and valuation assignment.

CORPORATE STRUCTURE

The structure of its Company's Subsidiaries and their nature of Activities are as below:

1. Infinity.Com Financial Securities Ltd. – Trading cum Clearing Member of NSE, BSE & Depository Participant-CDSL, Trading member of MCX-SX;
2. Pioneer Wealth Management Services Ltd. – SEBI Registered Portfolio Manager;
3. Pioneer Fundinvest Pvt. Ltd. – A Non Banking Finance Company (Not accepting Public Deposit);
4. Pioneer Commodity Intermediaries Pvt. Ltd. – Trading cum Clearing Member of NCDEX and MCX and Trading Member of ICEX;
5. Pioneer Money Management Ltd.- SEBI Registered category – I Merchant Banker;
6. Pioneer Investment Advisory Services Ltd. – Advisory & Consultancy;
7. PINC Energy Resources Private Limited – Commodity Trading; and
8. PINC Fund Advisors LLC- Asset Management Company (Mauritius).

OUTLOOK AND OPPORTUNITIES

Global Factors

Equity capital flows to developing economies, especially portfolio flows, were subdued in 2011, compared to the sharp rise in 2010 on the back of the global crisis and the quick economic recovery in emerging economies. The difficulties that most developing economies faced – from slowing growth, high inflation and in some cases sharp swings in currency – saw varying degrees of sell-off in emerging markets. New issuance of both equity and bonds for the world as a whole fell off very sharply through 2011. Emerging market bond issuance in 2011 was weaker than in 2010 and a decline was marked in the second half of 2011. Purely on a cyclical basis, those markets like India which under-performed in 2011, stand a decent chance of experiencing a recovery, provided stabilization of basic macroeconomic conditions is ensured.

Indian Economy and Macro Factors

The Indian economy grew by 6.9% in 2011-12, after having grown at the rate of 8.4 per cent in each of the two preceding years. This indicates a slowdown compared not just to the previous two years but 2003 to 2011 (except 2008-09). At the same time, sight must not be lost of the fact that, by any cross country comparison, India remains among the front-runners.

The strong macroeconomic fundamentals of the Indian economy have been recognized by domestic and international investors. In the present financial scenario, while most of the advanced economies are facing uncertain growth prospects and attendant difficulties in maintaining their credit ratings, two international

sovereign credit rating agencies (DBRS and Moody's) have upgraded the outlook for and sovereign credit rating of India.

Company's Outlook for its business segments

The Company believes that it is well positioned to capitalise on this global phenomenon and consolidate its position in all segments of Investment Banking business in the coming year(s). The Company is taking steps to increase its team strength in Investment Banking, wherein the company expected a significant growth in the year.

Consolidated Financials

Particulars	(₹ in lakhs)	
	2011-12	2010-11
Total Income	6641.75	8930.11
Profit after tax	602.85	1718.42

RISKS AND CONCERNS

The global economy is going through a challenging phase particularly with regards to the troubled conditions in Europe and the weak recovery in the USA. The fiscal problems in both of these major areas of the developed world, as well as the adverse impact on the financial markets have resulted in volatile conditions on the one hand, and a pressure on commodity prices on the other. The business of the company is dependent on the global economic conditions. Global factors like geopolitical tension, economic slowdown are a potential risk to the company's performance. Beside these domestic issues like inflationary trend and consequent rate tightening by RBI, fiscal and current account deficits, the Rupee-dollar rate and political uncertainty poses a challenge to the company. The increase in competitive intensity in the financial intermediation business is a concern and this can impact the performance of the company.

INTERNAL CONTROL SYSTEMS

As remarked by the auditors in their report, the Company has an internal control system commensurate with its requirements and the size of the business.

DISCUSSION OF FINANCIAL PERFORMANCE

As reasoned in the paras' mentioned under performance review, during the year under review, due to overall sluggish financial and capital market conditions in India, the consolidated gross revenues of the Company reduced to ₹ 6641.75 lakhs as against ₹ 8930.11 lakhs and Profit after Tax has reduced to ₹ 602.85 lakhs as against ₹ 1718.42 lakhs. The consolidated statement includes Company's eight subsidiaries, including its overseas subsidiary in Mauritius.

MATERIAL DEVELOPMENT AND HUMAN RESOURCES

During the year under review, Company hired senior executives, with a rich and varied experience of more than 15 to 20 years, to strengthen and expand, its Investment Banking Department.

CAUTIONARY STATEMENT

The statements made in this Report describe the Company's objectives and projections that may be forward looking statements within the meaning of applicable Securities laws and regulations. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company and Management.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance is given below. The Company believes in good Corporate Governance that enables the group to perform ethically and efficiently to generate long-term value and wealth for its shareholders and sharing the information in a transparent way with its shareholders, bankers, and customers.

1. BOARD OF DIRECTORS

a) Composition of Board

During the year under report, there was no change in the composition of the Board of Directors of the Company. Mr. G. M. Gandhi, Managing Director represents the Promoters group and four Independent Non Executive Directors are namely Mr. C. C. Dalal, Mr. C. M. Maniar, Mr. N. A. Rathod and Mr. A. B. Desai.

b) Non-executive Directors' compensation and disclosure

During the year under report, the Company has paid to the non-executive Directors sitting fee of ₹ 10,000/- after deducting TDS for each meeting of the Board or a Committee thereof attended by them, except to Mr. N. A. Rathod, who has informed not to receive sitting fees from the Company.

c) Other provisions as to Board and Committees

(i) Meetings and attendance record of each Director

During the year under report from 1st April, 2011 to 31st March, 2012, the Board of Directors held six meetings on 25.04.2011, 27.05.2011, 24.06.2011, 28.07.2011, 14.11.2011 and 14.02.2012.

Mr. C. C. Dalal, Mr. C. M Maniar and Mr. A.B. Desai were present in all the six Board meetings, Mr. Gaurang Gandhi was present in five Board Meetings and Mr. N. A. Rathod, was present in one Board Meeting.

All the Directors of the Company were present in the last Annual General Meeting of the Company.

(ii) Number of Directorships

Mr. C. M. Maniar is a director of sixteen other companies, of which he is also a member of seven Board Committees. Mr. C. C. Dalal is a director of two other companies and he is also a member of two Board Committees. Mr. G. M. Gandhi is a director of eighteen other companies and he is also a member of one Board Committee. Mr. N. A. Rathod is a director of fifty two other Companies and Mr. A. B. Desai is a director of one other Company.

(iii) The Company complies with all laws applicable to the Company, and a compliance report to that effect was taken on record by the Board of Directors of the Company.

d) Code of Conduct

The Company has framed a Code of Conduct for the members of the Board of Directors and Senior Management personnel of the Company. A declaration by Mr. G. M. Gandhi, Managing Director, regarding compliance by the Board Members and Senior Management personnel with the Code of Conduct is given as Annexure to this report.

2. Audit Committee

The Audit Committee comprises of Mr. C. C. Dalal , Chairman of the Committee, Mr. C. M. Maniar, and Mr. A. B. Desai, all are non-executive Independent Directors and Mr. G. M. Gandhi, Managing Director of the Company. During the year under report the Audit Committee held four meetings and considered the quarterly, half yearly and audited standalone and consolidated accounts of the Company. The Audit Committee also supervised the Internal Audit system and procedures relating to internal control system. All the Members were present at all the four committee meetings.

3. Disclosures

a) Basis of related party transactions

There were related party transactions with the related parties in the ordinary course of business as mentioned in Note no 28 of Financial Statements There were no material individual transactions with related parties, which are not in the normal course of business.

b) Disclosure of accounting treatment

All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

c) Risk management

The necessary risk assessment and minimisation procedure has been followed by the Company as and when required.

d) Proceeds from public issues, rights issues, preferential issues etc.

During the year end under review, the Company has not allotted any shares by way of public issue, right issue, and preferential issue.

e) Remuneration of Directors

(i) There are no pecuniary relationships or transaction of the non-executive Directors with the Company except by way of sitting fees which is disclosed in point no.1 b) of this report.

(ii) During the year end under review, the Company has paid remuneration by way of salary of ₹ 36,06,240/- to Mr. G. M. Gandhi, Managing Director of the Company, for the period from 1st July, 2011 till 31st March, 2012.

(iii) The Company has granted 20,000 Stock options under “Pioneer Investcorp Ltd. Employee Stock Option Scheme – 2006” to the Non executive independent Directors of the Company namely Mr. C. C. Dalal and Mr. C. M. Maniar – 10,000 Stock options each that were fully exercised by them. The Exercise Price for the aforesaid options granted was ₹ 22.05 per option, which was discounted to 30% of the closing price of the shares of the Company at Bombay Stock Exchange Limited, the day on which the options were granted.

(iv) The number of shares held by the non-executive Directors of the Company is as follows:

Name of the Directors	Category of Director	No. of Shares held in the Company as at 31.03.2012.
Mr. C. M. Maniar	Independent– Non Executive	10,300
Mr. C. C. Dalal	Independent– Non Executive	10,000
Mr. N. A. Rathod	Independent– Non Executive	NIL
Mr. A. B. Desai	Independent– Non Executive	NIL

f) Management

The Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement, is given as a separate statement in the Annual Report.

g) Shareholders Information

(i) Reappointment of Directors

Mr. C. M. Maniar and Mr. A. B. Desai Directors retires by rotation at the ensuing Annual General Meeting and being eligible offer them selves for reappointment.

Pursuant to Clause 49 of the Listing Agreement, the information relating to reappointment of Directors was as follows:

Name of Directors	Shri Chaitan Maniar	Shri Anand Desai
Brief Resume	Mr. Chaitan Maniar is director of this Company for more than 28 years. Mr. Maniar is a Solicitor and Advocate. He is presently a Senior Partner of the Firm Crawford Bailey & co. He is on the Board of various other Companies.	Anand Desai is a qualified Chartered Accountant with immense and varied experience of over 2 decades. Anand is an Investment Banker by profession prior to joining PINC Board, he worked with J. M. Financial & Kotak Mahindra. Anand has since set up his own Business Advisory Consultancy “MultiConsult”, and brings his rich and varied experience in offering strategic advice to Indian and International Corporate.
Nature of his expertise	He specializes in matters relating to Corporate Law, Business Laws, and Laws relating to Industrial and Intellectual Property.	He specializes in Finance and Investment Banking.

Name of Directors	Shri Chaitan Maniar	Shri Anand Desai
Other Directorship	<p>Amsar Private Limited</p> <p>Foods & Inns Limited.</p> <p>Financial Technologies India Limited</p> <p>Godfrey Philips India Limited</p> <p>Gujarat Ambuja Export Limited</p> <p>Hindalco Industries Limited</p> <p>Indo- Euro Investments Company Limited</p> <p>Indian Card Clothing Company Limited</p> <p>Multi Commodity Exchange of India Limited</p> <p>MCX Stock Exchange Limited</p> <p>Northpoint Training & Research Private Limited</p> <p>Sudal Industries Limited</p> <p>TCPL Packaging Limited</p> <p>Utkal Alumina International Limited</p> <p>Varun Shipping Company Limited</p> <p>Vadilal Industries Limited</p>	Multi Consult Private Limited
Other Committee Membership	<p>Hindalco Industries Limited (Audit Committee & Shareholder/Investors Grievance / Share Transfer Committees)</p> <p>Varun Shipping Company Ltd. (Audit Committee & Shareholder/Investors Grievance / Share Transfer Committees)</p> <p>Godfrey Phillips India Ltd. (Shareholder/Investors Grievance & Share Transfer Committee)</p> <p>Multi Commodity Exchange of India Limited (Shareholder/Investors Grievance & Share Transfer Committee)</p> <p>MCX Stock Exchange Limited (Shareholder/Investors Grievance & Share Transfer Committee)</p>	Nil
Number of Shares held in the Company	10300	Nil

- (ii) The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after the Board approves the same. The results are published in one National daily English newspaper and one regional language newspaper in the city in which the registered office of the Company is located and uploaded on the Company's Website : www.pinc.co.in.
- (iii) The Shareholders / Investors Grievance Committee continued to function effectively during the year under review. It continued to attend the matters related to Share Transfers and redressal of Shareholders' complaints. This Committee has three directors, namely, Mr. C. M. Maniar, Mr. G. M. Gandhi and Mr. A. B. Desai. The complaints and grievances of shareholders received if any were duly attended by the Committee and as of now no complaints were pending. To expedite the process of transfer, the Board of Directors of the Company, has delegated the power of transfer to Mr. Gaurang Gandhi, Managing Director of the Company and also to Mr. Sanjay Kabra, Vice President – Finance jointly with Mr. Amit Chandra, Company Secretary of the Company. Further the Shares submitted for transfer in physical form were registered and returned by the Company's Registrars and Share Transfer Agents in about 20 days from receipt of the documents, provided the documents were found in order. Shares under objection were returned within two weeks.
- (iv) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

5. MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

Certificate from Mr. G. M. Gandhi, Managing Director & Mr. R. M. Bhatia, Chief Financial Officer of the Company certifying the relevant clauses as required under point V of Clause 49 of the Listing Agreement was placed before the Board during the year under report.

6. ANNUAL GENERAL MEETINGS

a) The details of Annual General Meetings held in the last 3 years are as under

Year	Day, Date and Time	Venue
2008-2009	Thursday, 3rd September 2009, at 11.30 a.m.	Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai-400020.
2009-2010	Wednesday, 11th August 2010 at 11.30 a.m.	
2010-2011	Thursday, 28th July, 2011 at 11.30 a.m.	

b) Special Resolutions/business transacted at the last three Annual General Meeting were as follows.

Year	Matter
2008-2009	There was no business requiring Special Resolution
2009-2010	There was no business requiring Special Resolution.
2010-2011	Alteration in the existing Memorandum of Association of the Company.

c) No Resolutions were passed during the year under review through Postal Ballot

7. MEANS OF COMMUNICATIONS

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after the Board approves the same. The results are published in one National daily English newspaper and one regional language newspaper in the city in which the registered office of the Company is located and uploaded on the Company's Website : www.pinc.co.in.

8. GENERAL SHAREHOLDERS INFORMATION

a) The Annual General Meeting of the Company will be held on Friday, 7th September, 2012, at 11.30 a.m., at Kilachand Conference Room, 2nd floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400 020.;

b) Financial calendar

Financial Reporting for Quarter I - (ending June 30, 2012)	Within 45 days from the end of quarter.
Financial Reporting for Quarter II - (ending September 30, 2012)	Within 45 days from the end of quarter.
Financial Reporting for Quarter III - (ending December 31, 2012)	Within 45 days from the end of quarter.
Financial Reporting for Quarter IV - (ending March 31, 2013)	Within 60 days from the end of quarter.

c) The dates of Book Closure are 1st September, 2012 to 7th September, 2012 (both days inclusive);

d) Dividend @ 5% (i.e. paise fifty per share) will be paid on or after 7th September, 2012, if approved by the members at the ensuing Annual General Meeting of the Company;

e) The Company's Shares are presently listed on Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400023. The Company's Stock code in the Exchange is 507864 and the ISIN number is INE746D01014;

f) Share Prices of the Company – High and Low on Bombay Stock Exchange Limited, for the Financial Year April, 2011 to March, 2012, were as follows;

(in ₹)

Month	April 2011	May 2011	June 2011	July 2011	Aug. 2011	Sept. 2011	Oct. 2011	Nov. 2011	Dec. 2011	Jan. 2012	Feb. 2012	March 2012
High	59.25	50.00	47.50	48.00	43.75	48.00	40.00	37.95	32.25	32.95	39.95	36.00
Low	39.60	41.50	38.00	39.10	32.10	29.55	33.00	26.90	24.40	22.10	30.25	27.35

g) The address and telephone and fax numbers of the Registrar and Share Transfer Agent of the Company are Satellite Corporate Services Private Limited, B-302, Sony Apartments, Opp. St. Jude High School, Off. Andheri Kurla Road, Jarimari, Sakinaka, Mumbai 400 072. Tel. No: 022-2852 0461 / 2852 0462 Fax no.: 022-2851 1809 Email Address :- service@satellitecorporate.com.

h) Detailed Shareholding pattern of the Company as on 31st March, 2012, is as under:

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
A	Promoter's holding		
1	Promoters	6267696	50.97
Sub-Total (A)		6267696	50.97
B	Non-Promoters Holding		
1	Banks and Foreign Institutional Investors	597260	4.86
2	Public including Body Corporate	5431952	44.17
Sub-Total (B)		6029212	49.03
Total (A) + (B)		12296908	100.00

i) The distribution of Shareholding of Equity Shares as on 31st March, 2012, is as under:

Sr. No.	No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage of Shareholding
1.	Less than 50	932	27157	0.22
2.	51 to 100	2172	213722	1.74
3.	101 to 500	1888	479090	3.89
4.	501 to 1000	316	254366	2.07
5.	1001 to 5000	290	617435	5.02
6.	5001 to 10000	36	256563	2.08
7.	10001 to 50000	49	896268	7.29
8.	50001 to 100000	14	1082788	8.81
9.	100001 to 500000	10	1737296	14.13
10.	500001 & above.	2	6732223	54.75
TOTAL		5709	12296908	100.00

j) As on 31st March, 2012, 77.63% of the Company's totals Paid up Equity Shares were held in demat form with NSDL and CDSL;

k) The Company has paid listing fees for the Financial Year 2012-13 to Bombay Stock Exchange Limited, the only Exchange where shares of the Company are presently listed; and

l) The Company's Registered as well as Corporate office is situated at 1218, Maker Chamber V, Nariman Point, Mumbai – 400 021, Tel. No.: 022- 6618 6633 / 2202 1171, Fax no.:022-2204 9195, email id for investor's relation is: investor.relations@pinc.co.in, and website : www.pinc.co.in.

9. CERTIFICATE FROM AUDITORS

The certificate of Auditors relating to Corporate Governance is annexed hereto.

ANNEXURE TO CORPORATE GOVERNANCE REPORT
Declaration on compliance of the company's code of conduct.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management Personnel have affirmed compliance to the Code of Conduct for the Financial Year ended 31st March, 2012.

Mumbai
2nd August, 2012.

G. M. Gandhi
Managing Director

CEO/CFO Certification

As required by sub Clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the Financial year ended March 31, 2012, the Company has complied with the requirements mentioned in the said sub clause.

Mumbai
2nd August, 2012.

G. M. Gandhi
Managing Director

R. M. Bhatia
Chief Financial Officer

AUDITORS' CERTIFICATE

**Auditors' Certificate on Compliance with the Conditions of Corporate Governance,
Under Clause 49 of the Listing Agreement**

To,
The Members of Pioneer Investcorp Limited,
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Pioneer Investcorp Limited ("the Company"), for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jayesh Dadia & Associates
Firm Reg. No. 121142W
Chartered Accountants

Mumbai
2nd August, 2012.

Nishit Dave
Partner
M.No.: 120073

FINANCIAL STATEMENTS

AUDITORS' REPORT

To,

THE MEMBERS OF PIONEER INVESTCORP LIMITED

1. We have audited the attached Balance Sheet of PIONEER INVESTCORP LIMITED as at 31st March, 2012 and also the statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our Audit;

(ii) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books;

(iii) The Balance Sheet and the statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet and the statement of Profit and Loss and Cash Flow statement dealt with by this Report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;

(v) On the basis of representations received from the Directors, as on 31st March 2012 and taken on record by the Board Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 ;

(b) In case of the statement of Profit and Loss, of the profit for the year ended on that date; and

(c) In case of the Cash Flow statement, of the cash flow for the year ended on that date.

For Jayesh Dadia & Associates,

Firm Reg. No. 121142W

Chartered Accountants

Nishit Dave

Partner

M.No.: 120073

Mumbai

28th May 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All the assets have been physically verified by the Management during the year at reasonable intervals. No material discrepancies were noticed on verification.
(c) During the year, the Company has not disposed off a major part of the fixed assets.
- (ii) (a) The Company has conducted the physical verification of inventories being Shares and Securities, held by it, at reasonable intervals during the year;
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate and
(c) The Company has maintained proper records of such inventories, and as informed to us no material discrepancies were noticed on physical verification.
- (iii) (a) During the year the Company has granted unsecured interest free loans aggregating to ₹ 202 lacs (previous year ₹ 83.67 lacs), to Six of its wholly owned subsidiaries. At the year end, the loans granted to Six subsidiaries aggregates to ₹ 71.69 lacs (previous year ₹ 135.58 lacs). The Maximum balance outstanding during the year was ₹ 279.86 lacs (previous year ₹ 1722.02 lacs).
(b), (c), (d) since interest free loans are granted to the companies under section 301 are repayable on demand, comments under these clauses are not given.
(e) During the year Company has not taken any loans, secured or unsecured loan from the companies, covered in the register maintained under section 301 of the Act.
(f)& (g) Since no loans are taken during the year comment under these clauses are not given.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) (a) As explained to us, the Company has entered into all the particulars of contracts or arrangements referred to in section 301 of the Act; and
(b) As explained to us, transactions made in pursuance of all contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Company is not required to maintain cost accounting records as prescribed by Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including service tax, provident fund, income tax and other material statutory dues applicable to it.
(b) According to the information and explanation given to us, there are no disputed statutory dues.

- (x) The Company has been registered for a period of more than five years. It has no accumulated losses. The Company has not incurred cash loss for the current financial year and in immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to banks.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi mutual fund / society. Accordingly, the provisions of clause 4(xiii) is not applicable to the company.
- (xiv) The Company is dealing in shares and securities and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made therein and the shares and securities and other investments have been held by the company in it's own name.
- (xv) As informed to us, the Company has given guarantee for loans taken by one of its subsidiary from bank. However the terms and conditions whereof are not prejudicial to the interest of the Company.
- (xvi) The Company has obtained term loan from bank and financial institution, and the same was applied for the purpose for which it was obtained.
- (xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that no funds raised for short term has been used for long term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) As informed to us, no fraud on or by the Company has been noticed or reported during the year.

For Jayesh Dadia & Associates

Firm Reg. No. 121142W

Chartered Accountants

Nishit Dave

Partner

M.No.: 120073

Mumbai

28th May 2012.

BALANCE SHEET AS AT 31ST MARCH, 2012.

	Note No.	31.03.2012 ₹	31.03.2011 ₹
EQUITIES & LIABILITIES			
Shareholders' Funds			
Share Capital	1	128,946,972	128,946,972
Reserves & Surplus	2	904,527,135	872,272,203
	"A"	1,033,474,107	1,001,219,175
Non-Current Liabilities			
Long Term Borrowings	3	565,582,985	366,459,335
Other Long Term Liabilities	4	17,751,609	22,042,547
Long Term Provisions	5	142,097,276	45,330,422
	"B"	725,431,870	433,832,304
Current Liabilities			
Other Current Liabilities	6	63,274,122	146,626,588
Short Term Provisions	7	32,528,719	72,892,944
	"C"	95,802,841	219,519,532
Total - "A" + "B" + "C"		1,854,708,818	1,654,571,011
ASSETS			
Non-Current Assets			
Fixed Assets	8		
Tangible Assets		91,129,113	105,607,787
Intangible Assets		9,816,396	15,146,015
Capital Work-in-Progress		751,030,857	380,838,357
Non Current Investments	9	572,580,410	404,049,474
Long Term Loans & Advances	10	192,987,275	114,728,707
Deferred Tax Asset	11	4,353,288	(15,089,241)
	"A"	1,621,897,339	1,005,281,099
Current Assets			
Inventories	12	257,724	43,532,426
Trade Receivables	13	169,968,382	515,482,039
Cash & Cash Equivalants	14	41,543,903	39,356,718
Short Term Loans & Advances	15	21,041,470	50,918,729
	"B"	232,811,479	649,289,912
Total - "A" + "B"		1,854,708,818	1,654,571,011

Summary of Significant Accounting Policies and Notes are an integral part of the Financial Statements

As per our report of even dated attached
For Jayesh Dadia & Associates
 Firm Reg. No. 121142W
 Chartered Accountants

G.M.Gandhi
 Managing Director

C.C.Dalal
 Director

A.B.Desai
 Director

C.M.Maniar
 Director

Nishit Dave
 Partner
 M.No. : 120073
 Mumbai, 28th May, 2012

Rakesh Bhatia
 CFO

A.J.Chandra
 Company Secretary
 Mumbai, 28th May, 2012

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012.

	Note No.	31.03.2012 ₹	31.03.2011 ₹
INCOME			
Income From Operations	16	379,501,595	483,716,428
Other Income	17	266,631	3,385,300
Total Income		379,768,226	487,101,728
EXPENSES			
Employee Benefit Expenses	18	123,956,783	84,429,802
Finance Cost	19	35,787,088	65,203,746
Depreciation and Amortization Cost	8	22,204,451	21,982,398
Other Expenses	20	94,452,356	102,320,762
Total Expenses		276,400,678	273,936,708
PROFIT BEFORE EXTRAORDINARY ITEMS		103,367,548	213,165,020
Extraordinary Items	21	28,996,662	—
PROFIT BEFORE TAX		74,370,886	213,165,020
Tax Expense			
Less : Current Tax		(32,000,000)	(72,500,000)
Less : Earlier Years Tax		(22,242,500)	(2,267,728)
Add : Deferred Tax Assets		19,442,533	491,383
PROFIT AFTER TAX		39,570,919	138,888,675
Earning Per Equity Share			
	22		
Before Extraordinary Items- Basic/Diluted		5.58	11.31
After Extraordinary Items- Basic/Diluted		3.22	11.31

Summary of Significant Accounting Policies and Notes are an integral part of the Financial Statements

As per our report of even dated attached
For Jayesh Dadia & Associates
 Firm Reg. No. 121142W
 Chartered Accountants

Nishit Dave
 Partner
 M.No. : 120073
 Mumbai, 28th May, 2012

G.M.Gandhi
 Managing Director

A.B.Desai
 Director

Rakesh Bhatia
 CFO

C.C.Dalal
 Director

C.M.Maniar
 Director

A.J.Chandra
 Company Secretary
 Mumbai, 28th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2012.

	For the Year 31.03.2012 ₹	For the Year 31.03.2011 ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	103,367,548	213,165,020
Adjustments for :		
Depreciation	22,204,451	21,982,398
Adjustment on disposal of Overseas Subsidiary	(28,996,662)	—
Employee Stock Compensation Expense	(170,100)	(132,300)
Finance Cost	35,787,088	65,203,746
Interest /Dividend	(273,244)	(3,237,015)
Provision in diminution in the value (Profit)/Loss on sale of Investments	1,107,064	—
	10,364,474	(52,535)
Operating Profit Before Working Capital Changes	143,390,619	296,929,314
Adjustments for :		
Trade & Other Receivables	398,017,387	532,165,422
Trade Payables & Other Liabilities	(85,483,274)	(20,847,943)
(Increase)/Decrease in Net Current Assets	312,534,113	511,317,480
Cash Generated from Operations	455,924,732	808,246,794
Direct Taxes Paid	(57,610,337)	9,322,433
Net Cash from Operating Activities	398,314,395	817,569,226
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(372,610,142)	(272,247,717)
Sale of Fixed Assets	21,484	—
Purchase of Investments	(196,713,662)	(44,082,924)
Sale of Investments	16,711,191	34,773,459
Interest /Dividend	273,244	3,237,015
Net Cash used in Investing Activities	(552,317,885)	(278,320,167)
C CASH FLOW FROM FINANCING ACTIVITIES		
Term Loan Taken / (Repaid)	263,625,258	230,871,816
Overdraft Facility	(4,500,000)	—
Cash Credit	(60,001,608)	(665,990,512)
Dividend	(6,148,454)	(12,339,083)
Dividend Distribution Tax	(997,433)	(2,001,871)
Share Premium	—	2,310,903
Employee Stock Option Reserve Reversal on issue	—	(322,954)
Share Capital Issued	—	668,750
Finance Cost	(35,787,088)	(65,203,746)
Net Cash from Financing activities	156,190,675	(512,006,697)
Net Increase in Cash & Cash Equivalents	2,187,185	27,242,362
Cash & Cash Equivalents at the beginning of the Year	39,356,718	12,114,356
Cash & Cash Equivalents at the close of the Year	41,543,903	39,356,718

As per our report of even dated attached
For Jayesh Dadia & Associates
 Firm Reg. No. 121142W
 Chartered Accountants

Nishit Dave
 Partner
 M.No. : 120073
 Mumbai, 28th May, 2012

G.M.Gandhi
 Managing Director

A.B.Desai
 Director

Rakesh Bhatia
 CFO

C.C.Dalal
 Director

C.M.Maniar
 Director

A.J.Chandra
 Company Secretary

Mumbai, 28th May, 2012

SIGNIFICANT ACCOUNTING POLICIES**1. Basis of Presentation :**

The Company maintains its accounts on accrual basis, following the historical cost convention in compliance with the Accounting Standards referred to in Section 211(3C) and other requirements of the Companies Act, 1956.

2. Fixed Assets :

- a) Capitalised at acquisition cost including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to the working condition for use.
- b) Intangible assets are stated at cost, net of tax / duty availed, less accumulated amortization / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

3. Depreciation on Fixed Assets :

- (a) Depreciation is provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956;
- (b) Depreciation on assets acquired and sold during the year/ period, has been charged pro-rata from / upto the month of acquisition/sale of the assets.
- (c) Intangible assets such as softwares, leasehold office premises etc are amortised over a period of Five (5) years

4. Inventories:

All Shares and Securities are valued at Cost or market value, whichever is lower.

5. Investments :

All Investments are stated at cost and provision for diminution in value, of permanent nature, if any, of Investments is charged to the Profit and Loss account.

6. Revenue Recognition :

- (a) Merchant Banking/Syndication/Advisory Fees are recognised on accrual basis
- (b) Income from Securities/Investments is recognized on accrual basis.

7. (a) Future Contracts:

Initial margin payment paid at the time of inception of the contract is shown under the head "Current Assets"

All the future contracts are marked to market on daily basis. The amount of marked to market margin received / paid into/from such accounts, are debited or credited to marked to market margin Index / Stock Future Account and appear as separate item as "Current Asset" or "Current Liability" as the case may be.

At the year end, appropriate provisions are created by debit to Profit & Loss Account for anticipated loss. Anticipated profit at the year end is ignored.

At the time of final settlement, the difference between the contract price and the settlement price is calculated and recognized in the Profit & Loss Account after adjusting provision created for anticipated loss, if any.

(b) Option Contracts:

At the inception of the contract, premium paid is debited to Index Option Premium Account or Stock Option Premium Account, as the case may be. On receiving the premium at the time of sale, the Index Option Premium Account or Stock Option Premium Account is credited and shown separately under the head "Current Assets" or "Current Liabilities" as the case may be.

All the Open Option Contracts are marked to market on daily basis in the similar manner as in the case of Future Contracts. If the Contracts are Open as on the Balance Sheet date, appropriate provision is made in the books of accounts by crediting / debiting the Profit & Loss Account.

At the time of Balance Sheet date, if the premium prevailing in the market for a contract of similar nature is lower than the premium so paid, then provision is made for the difference in the Profit & Loss Account.

If the premium received is lower than the premium prevailing in the market for contract of similar nature, appropriate provision for loss will be made by debiting Profit & Loss Account and crediting provision for loss on Index / Stock Option Account appearing under the head Current Liability.

At the time of settlement or at the time of squaring-up, premium is recognized either as expense or income as the case may be.

8. Borrowing Cost :

Borrowing Cost that are attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. Such expenses are shown under Capital Work in Progress to be allocated to the relevant items of assets on such assets. Such expenses are shown under Capital Work in Progress to be allocated to the relevant items of assets on such assets being put to use.

A qualifying asset is an asset that takes substantial period of time to get ready for the intended use.

Borrowing Cost other than those incurred for qualifying asset is expensed out in the year in which it is incurred.

9. Employee Stock Option Plan :

The accounting value of stock options representing the excess of the market price over the exercise price of the shares granted under "Employees Stock Option Scheme" of the Company, is amortised as "Deferred Employees compensation" on a straight-line basis over the vesting period in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

10. Foreign Currency Transactions :

Foreign Currency Transactions are accounted for at the rates prevailing on the dates of the transactions. Foreign Currency Assets & Liabilities are converted at contracted rates / year end rates as applicable, the exchange differences on settlement are adjusted to the Profit and Loss Account.

11. Retirement Benefits:

(a) Defined Contribution Plan:

Company's contribution paid/payable during the year to provident fund, are charged to Profit & Loss Account. There are no other obligations other than the contribution payable to the respective trusts.

(b) Defined Benefit Plan:

Company's liability towards gratuity are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discounted rate that is determined by the reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

12. Miscellaneous Expenditure :

Preliminary Expenses, Development Expenditure, Share Issue Expenses in connection with Public Issue of Equity Shares by the Company and Rights Issue Expenses are written off over a period of 5 years.

13. Contingencies and Events occurring after the Balance Sheet Date :

Accounting for contingencies (gains & losses) arising out of contractual obligations are made only on the basis of mutual acceptances. Events occurring after the date of Balance Sheet, where material, are considered upto the date of adoption of accounts.

14. Taxation :

The current charge for taxes is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing difference that result between the profit offered for Income Tax and the profit as per the financial statement. Deferred tax assets and liabilities are measured as per the tax rates / laws that have been enacted or subsequently enacted by the Balance Sheet date & are reviewed for appropriateness of their respective carrying values at each balance sheet date.

15. Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired.

If such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount

The reduction is treated as an impairment loss and is recognized in the Profit & Loss Account.

If at the Balance Sheet date there is an indication that if a previously assessed impaired loss no longer exists, the reassessed asset is reflected at the recoverable amount, subject to a maximum of depreciated historical cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012 ₹	31.03.2011 ₹
Note No.: 1		
SHARE CAPITAL		
Authorised Capital		
25,000,000 Equity Shares of ₹ 10/- each	250,000,000	250,000,000
(Previous Year: 25,000,000 Equity Shares of ₹ 10/- each)	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed & Fully Paid up Shares		
1,22,96,908 Equity Shares of ₹ 10/- each	122,969,080	122,969,080
(Previous Year: 1,22,96,908 Equity Shares of ₹ 10/- each)		
Add :Amount paid up on Shares Forfeited	5,977,892	5,977,892
Total Issued, Subscribed & Fully Paid up Share Capital	<u>128,946,972</u>	<u>128,946,972</u>
A) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:		
At the beginning of the reporting period:		
1,22,96,908 (Previous Year 1,22,30,033) Equity Shares of ₹ 10/- each	122,969,080	122,300,330
Issued during the period- ESOP		
Nil (Previous Year 66,875) Equity Shares of ₹ 10/- each	—	668,750
Outstanding at the end of the period:		
1,22,96,908 (Previous Year 1,22,96,908) Equity Shares of ₹ 10/- each	<u>122,969,080</u>	<u>122,969,080</u>
B) Details of Shareholders holding more than 5% shares in the Company:		
Gaurang M. Gandhi	50.11%	50.11%
61,61,663 (Previous Year 61,61,663) equity shares of ₹ 10/- each fully paid		
Note No.: 2		
RESERVES & SURPLUS		
General Reserve		
Balance as per Last Financial Statement	313,828,549	263,828,549
Add: Transfer From Statement of Profit & Loss	—	50,000,000
Closing Balance	<u>313,828,549</u>	<u>313,828,549</u>
Securities Premium	111,192,453	111,192,453
Employees Stock Options	1,271,971	1,442,071
Capital Reserve	127,447,500	127,447,500
Capital (Amalgamation) Reserve A/c	119,483,021	119,483,021
Surplus in the Statement of Profit & Loss		
Balance as per Last Financial Statement	198,878,609	124,330,888
Profit for the Year	39,570,919	138,888,675
Less: Appropriations		
Proposed Dividend	6,148,454	12,339,083
Dividend Distribution Tax	997,433	2,001,871
Transferred to General Reserve	—	50,000,000
Net Surplus in the Statement of Profit & Loss	<u>231,303,641</u>	<u>198,878,609</u>
Total Reserves & Surplus	<u>904,527,135</u>	<u>872,272,203</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012 ₹	31.03.2011 ₹
Note No.: 3		
LONG TERM BORROWINGS		
Secured Loans		
From Banks		
Term Loans	420,100,308	86,943,756
Cash Credit	838,307	60,839,915
Over Draft	—	4,500,000
From Financial Institutions-Term Loans	144,644,370	214,175,664
	565,582,985	366,459,335
Notes:		
1. Term Loans are secured by first charge on mortgage of office premises, all moveable capital assets and hypothecation of vehicles		
2. Cash Credit facilities are secured against pledge of Government Securities and Bonds.		
3. Over draft facility is secured against pledge of Fixed Deposits.		
Note No.: 4		
OTHER LONG TERM LIABILITIES		
Dividend Payable	6,148,454	12,296,908
Dividend Distribution Tax Payable	997,433	1,994,866
Unclaimed Dividends	1,157,143	946,264
Advance From clients	5,100,000	5,100,000
Trade Payables		
Due to Other than SMEs		
For Expenses	698,048	303,159
Other Liability	3,650,531	1,401,350
	17,751,609	22,042,547
Note No.: 5		
LONG TERM PROVISIONS		
Provision for Tax	132,742,500	38,000,000
Provision for Gratuity	8,240,709	6,216,355
Provision for Leave Encashment	672,729	672,729
Provision for Super Annuation	441,338	441,338
	142,097,276	45,330,422
Note No.: 6		
OTHER CURRENT LIABILITES		
Trade Payables		
Due to Other than SMEs		
For Expenses	5,313,336	14,887,405
For Securities and Bonds	50,569,485	111,473,215
For Duties & Taxes	7,391,301	20,265,968
	63,274,122	146,626,588
Note No.: 7		
SHORT TERM PROVISIONS		
Income Tax	32,000,000	72,500,000
Gratuity	528,719	392,944
	32,528,719	72,892,944

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**Note No.: 8
FIXED ASSETS**

Particulars of Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2011 year ₹	Additions during the year ₹	Deductions during the year ₹	As on 31.03.2012 ₹	Upto 31.03.2011 ₹	For the year ₹	Deductions/ Adjustments ₹	Upto 31.03.2012 ₹	As on 31.03.2012 ₹	As on 31.03.2011 ₹
TANGIBLE										
Office Premises	14,328,820	—	—	14,328,820	3,014,378	233,560	—	3,247,939	11,080,881	11,314,442
Leasehold Office Premises	16,726,567	—	—	16,726,567	5,618,540	3,345,313	—	8,963,853	7,762,714	11,108,027
Office Equipments	78,117,344	652,849	56,600	78,713,593	26,823,336	10,606,618	35,116	37,394,838	41,318,755	51,294,008
Furniture & Fixtures	36,795,460	—	—	36,795,460	8,064,252	2,315,895	—	10,380,147	26,415,313	28,731,208
Vehicles	5,546,086	1,764,793	—	7,310,879	2,385,984	373,446	—	2,759,430	4,551,450	3,160,102
Total	151,514,277	2,417,642	56,600	153,875,319	45,906,490	16,874,832	35,116	62,746,206	91,129,113	105,607,787
Previous Year	147,105,928	4,408,349	—	151,514,277	29,209,554	16,696,938	—	45,906,492	105,607,785	117,896,374
INTANGIBLE										
Software	26,648,094	—	—	26,648,094	11,502,079	5,329,619	—	16,831,698	9,816,396	15,146,015
Total	26,648,094	—	—	26,648,094	11,502,079	5,329,619	—	16,831,698	9,816,396	15,146,015
Previous Year	24,136,008	2,512,086	—	26,648,094	6,216,619	5,285,460	—	11,502,079	15,146,015	17,919,389
Tangible Capital Work-in-progress*									751,030,857	380,838,357

*Advance paid for the office premises under construction which includes the interest charged on the borrowed funds and other related expenditures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012 ₹	31.03.2011 ₹
Note No.: 9		
NON CURRENT TRADE INVESTMENTS		
{Long Term, at cost}		
(A) In wholly owned Subsidiary Companies (Unquoted)		
Infinity.Com Financial Securities Ltd. (18,500,000 fully paid Equity Shares (previous year 18,500,000) of ₹ 10/- each)	244,501,960	244,501,960
Infinity .com Financial Securities Ltd. (600,000 fully paid Redeemable Preference shares (previous year 600,000) of ₹ 100/- each)	21,498,040	21,498,040
Pioneer Commodity Intermediaries Pvt. Ltd. (16,00,000 fully paid Equity Shares (previous year 16,00,000) of ₹ 10/- each)	16,000,000	16,000,000
Pioneer Investment Advisory Services Ltd. (50,000 fully paid Equity Shares (previous year 50,000) of ₹ 10/- each)	500,000	500,000
Pioneer Money Management Ltd. (6,000,000 fully paid Equity Shares (previous year 3,000,000) of ₹ 10/- each)	60,000,000	30,000,000
Pioneer Wealth Management Services Ltd. (6,990,000 fully paid Equity Shares (previous year 6,990,000) of ₹ 10/- each)	69,900,000	69,900,000
Pioneer Fundinvest Pvt. Ltd. (21,000 fully paid Equity Shares (previous year 21,000) of ₹ 100/- each)	3,612,000	3,612,000
PINC Fund Advisors LLC. (incorporated in Mauritius)(100,000 fully paid Equity Shares (previous year 100,000) of USD 1 each)	3,939,730	3,939,730
PINC International (Singapore) Pte Ltd (incorporated in Singapore) (Nil fully paid Equity Shares (previous year 300,000) of S\$ 1 each)	—	10,362,000
PINC Energy Resources Pvt Ltd (1,50,00,000 fully paid Equity Shares (previous year Nil) of ₹ 10/- each)	150,000,000	—
Total (A)	569,951,730	400,313,730
(B) In Associate Companies (Unquoted)		
Pioneer Insurance & Reinsurance Brokers Pvt Ltd. (250,000 fully paid Equity Shares (previous year 250,000) of ₹ 10/- each)	2,500,000	2,500,000
Total (B)	2,500,000	2,500,000
(C) In Other Companies		
Quoted		
Arihant Foundations & Housing Ltd. (2,645 fully paid Equity Shares (previous year 2,645) of ₹ 10/- each) (Market Value as on 31st March 2012 is ₹ 128,679 (previous year ₹ 331,551))	1,235,744	1,235,744
Less : Provision for diminution	1,107,064	—
Total (C)	128,680	1,235,744
Total Investments (A + B + C)	572,580,410	404,049,474

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012 ₹	31.03.2011 ₹
Note No.: 10		
LONG TERMS LOANS & ADVANCES		
(Unsecured Considered Good Unless Otherwise Stated)		
Security Deposits	19,343,677	20,323,847
Advances to Subsidiaries	7,169,385	13,559,216
Advances to Staff	32,200,000	33,640,000
Other Advances	5,098,161	5,188,257
Advance Tax	129,176,052	42,017,387
	<u>192,987,275</u>	<u>114,728,707</u>
Note No.: 11		
DEFERRED TAX ASSET		
On Account of Depreciation Difference	(15,276,332)	(18,394,835)
On Account of 43B disallowances	3,206,699	3,305,594
On Account of brought forward losses	16,422,921	—
	<u>4,353,288</u>	<u>(15,089,241)</u>
Note No.: 12		
INVENTORIES		
(As taken and Certified by the Management)		
Stock In Trade		
Government Securities / Bonds	257,724	43,532,426
	<u>257,724</u>	<u>43,532,426</u>
Note No.: 13		
TRADE RECEIVABLES		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due	—	—
Others	169,968,382	515,482,039
	<u>169,968,382</u>	<u>515,482,039</u>
(Debtors includes ₹ 1460.40 lacs (previous year ₹ 3385.29 lacs) on account of sale of Securities and Bonds)		
Note No.: 14		
CASH & CASH EQUIVALANTS		
Balance with Banks		
In Fixed Deposits	2,050,000	7,550,000
Accured Interest	232,135	2,206,688
In Current Accounts	39,246,015	29,586,547
Cash On Hand	15,753	13,483
	<u>41,543,903</u>	<u>39,356,718</u>
Note No.: 15		
SHORT TERM LOANS & ADVANCES		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or in kind for the value received		
Advances to Subsidiaries	79,930	4,408
Current Years' Advance Tax	20,503,368	50,051,696
Prepaid Expenses	458,172	862,625
	<u>21,041,470</u>	<u>50,918,729</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012 ₹	31.03.2011 ₹
Note No.: 16		
INCOME FROM OPERATIONS		
A) Investment Banking and Advisory Fees	340,987,043	416,804,613
B) Income from Trading in Securities		
Sales (a)	87,503,109,143	25,324,536,160
Closing Inventory (b)	257,724	43,532,426
Purchases (C)	87,421,319,889	24,477,802,512
Opening Inventory (d)	43,532,426	823,354,259
Sub-Total (a+b-c-d)	38,514,552	66,911,815
Total (A+B)	379,501,595	483,716,428
Note No.: 17		
OTHER INCOME		
Interest Income	273,244	3,234,370
Dividend	—	2,645
Net Gain / (Loss) on Sale of Investments	(6,613)	52,535
Other Non-operative Income	—	95,750
	266,631	3,385,300
Note No.: 18		
EMPLOYEE BENEFIT EXPENSES		
Salaries & Bonus	118,795,559	79,454,403
Gratuity	2,160,129	1,350,972
Contribution to Provident Fund	2,869,692	2,057,337
Staff Welfare	131,403	1,567,090
	123,956,783	84,429,802
Note No.: 19		
FINANCE COSTS		
Interest		
to Banks	26,888,868	60,775,072
to others	—	32,122
for delayed payments	496,300	—
Bank Commission	8,401,920	4,396,552
	35,787,088	65,203,746

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	31.03.2012 ₹	31.03.2011 ₹
Note No.: 20		
OTHER EXPENSES		
Rent	27,225,256	27,559,800
Business Promotion Expenses	3,452,474	3,214,600
Power and Fuel	2,391,968	2,532,668
Postage, Telex and Telephones	3,656,932	3,204,621
Directors' Sitting Fees	320,000	290,000
Travelling and Conveyance	10,820,324	10,093,717
Motor Car Expenses	8,891,081	8,517,884
Legal and Professional Charges	24,535,811	33,640,249
Donation	150,000	2,235,000
Maintenance Expenses	4,964,526	4,058,604
Diminution in the value of Investments	1,107,064	—
Auditors' Remuneration:		
Audit Fees	300,000	300,000
Tax Audit Fees	50,000	50,000
Certification work	120,000	120,000
Miscellaneous Expenses	6,466,920	6,503,619
	<u>94,452,356</u>	<u>102,320,762</u>
Note No.: 21		
EXTRAORDINARY ITEMS		
Loss on disposal of Overseas Subsidiary (PINC International (Singapore) Pte. Ltd.)	28,996,662	—
	<u>28,996,662</u>	<u>—</u>
Note No.: 22		
EARNINGS PER SHARE		
Profit after tax before extraordinary item as per Profit & Loss Account (A) (₹)	68,567,581	138,888,676
Net Profit as per Profit & Loss Account (B) (₹)	39,570,919	138,888,676
Weighted average number of Equity Share used in computing basic/diluted earning per share (C) (No. of Shares)	12,296,908	12,275,854
Earning Per Share before extraordinary items (₹) Basic/Diluted- (A/C)	5.58	11.31
Earning Per Share after extraordinary items (₹) Basic/Diluted- (B/C)	3.22	11.31
Note No.: 23		
FOREGIN CURRENCY TRANSACTIONS		
Foreign Earnings		
Professional Fees	232,717,222	225,857
Foreign Expenses		
Travelling	987,997	524,620
Professional Fees	—	7,349,100
	<u>987,997</u>	<u>7,873,720</u>
Note No.: 24		
CONTINGENT LIABILITY		
Counter Guarantees given to banks	390,000,000	300,000,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note No.: 25

SEGMENT REPORTING

As required by Accounting Standard (AS-17) issued by the Institute of Chartered Accountants of India, particulars regarding Company's operations predominately comprises of Investment Banking /Coal consultancy and Income from Shares and Securities. The Company does not have Secondary Segments

	Advisory & Merchant Banking Fees	Income From Coal and Energy Resources	Income From Securities	Total As on 31.3.2012
	₹	₹	₹	₹
Segment Revenue	273,204,653	67,782,390	38,514,552	379,501,595
	<i>349,020,912</i>	<i>47,500,000</i>	<i>87,248,052</i>	<i>483,768,964</i>
Add: Unallocated Revenue	—	—	—	266,631
	—	—	—	<i>3,332,765</i>
Total Revenue	273,204,653	67,782,390	38,514,552	379,768,226
	<i>349,020,912</i>	<i>47,500,000</i>	<i>87,248,052</i>	<i>487,101,729</i>
Segment Result before Tax	172,306,414	40,270,629	(19,410,448)	193,166,595
	<i>240,204,111</i>	<i>25,791,797</i>	<i>1,691,052</i>	<i>267,686,961</i>
Add: Unallocated Income/(Expenses)(net)	—	—	—	(89,799,047)
	—	—	—	<i>(54,521,940)</i>
Operating Profit	—	—	—	103,367,548
	—	—	—	<i>213,165,021</i>
Finance Charges	—	—	—	—
	—	—	—	—
Extraordinary Items	—	—	—	(28,996,662)
	—	—	—	—
Provision for Tax	—	—	—	(12,557,467)
	—	—	—	<i>(72,008,617)</i>
Provision for Tax for earlier years	—	—	—	(22,242,500)
	—	—	—	<i>(2,267,728)</i>
Net Profit	—	—	—	39,570,919
	—	—	—	<i>138,888,676</i>
Segment Assets	23,927,927	—	146,298,179	170,226,106
	<i>129,799,788</i>	<i>47,153,250</i>	<i>382,061,426</i>	<i>559,014,464</i>
Add: Unallocated Assets	—	—	—	1,684,482,711
	—	—	—	<i>1,110,645,787</i>
Total Assets	—	—	—	1,854,708,817
	—	—	—	<i>1,669,660,251</i>
Segment Liabilities	5,100,000	—	51,407,792	56,507,792
	<i>19,391,774</i>	—	<i>176,812,915</i>	<i>196,204,689</i>
Add: Unallocated Liabilities	—	—	—	764,726,919
	—	—	—	<i>472,236,386</i>
Total liabilities	—	—	—	821,234,712
	—	—	—	<i>668,441,075</i>
Capital Expenditure	—	—	—	372,610,142
	—	—	—	<i>387,758,792</i>
Depreciation	—	—	—	—
	—	—	—	—
Unallocated Depreciation	—	—	—	22,204,451
	—	—	—	<i>21,982,398</i>
Total Depreciation	—	—	—	22,204,451
	—	—	—	<i>21,982,398</i>

Notes

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organization structure as well as the differential risks and returns of these segments.
2. The Company has disclosed business segments as the primary segment.
3. Since the Company provides services in the same economic environment, there are no geographic segments.
4. Figures in *Italics* are previous year figures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note No.: 26

EMPLOYEE BENEFIT

The Company has made provision for the following benefit plans as per Accounting Standard 15 (Revised 2005) "Employees Benefit"

	Valuation Date 31st March 2012	Valuation Date 31st March 2011
		Gratuity (in ₹)
I Assumption		
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount Rate	8.50%	8.30%
Rate of Increase in Compensation	7.00%	7.00%
Rate of Return (Expected) on plan assets Withdrawal Rates	5.00%	5.00%
II Change in present Value of Obligations		
PVO at beginning of period #	6609299	5258327
Interest Cost #	548572	420666
Current Service Cost #	2488572	1728446
Benefits Paid #	—	—
Actuarial (gain/loss) on obligation #	(877015)	(798140)
PVO at end of period #	8769428	6609299
III Changes in Fair value of plan Assets		
Fair Value of plan assets at beginning of Period #	—	—
Expected return on plan assets#	—	—
Contributions #	—	—
Benefits Paid#	—	—
Actuarial (gain/loss) on plan assets #	—	—
Fair Value of plan assets at end of Period#	—	—
IV Fair Value of plan Assets		
Fair Value of plan assets at beginning of Period	—	—
Actual return on plan assets-	—	—
Contributions	—	—
Benefits Paid	—	—
Fair Value of plan assets at end of Period-	—	—
Funded Status	(8769428)	(6609299)
Excess of Actual Over Estimated return on plan Assets	—	—
V Actuarial (Gain / Loss) Recognized		
Actual Gain/ Loss for the period (Obligation)	877015	798140
Actual Gain/ Loss for the period (Plan Assets)	—	—
Total Gain / Loss for the period	877015	798140
Actuarial (Gain / Loss) Recognized for the period	877015	798140
Unrecognized Actuarial (Gain / Loss) at end of period	—	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(in ₹)	
	Valuation Date 31st March 2012	Valuation Date 31st March 2011
VI Amount to be recognized in the balance sheet and statement of profit & loss Account		
PVO at end of period	8769428	6609299
Fair Value of plan assets at end of Period- Funded Status	— (8769428)	— (6609299)
Unrecognized Actuarial Gain / Loss	—	—
Net Asset/ Liability Recognized in the Balance Sheet	(8769428)	(6609299)
VII Expenses Recognized in the Statement of Profit & Loss A/c		
Current Service Cost	2488572	1728446
Interest Cost	548572	420666
Expected Return on Plan Assets	—	—
Net Actuarial (Gain/Loss) Recognized for the period	(877015)	(798140)
Expense Recognized in the statement of Profit & Loss A/c	2160129	1350972
VIII Movements in the Liability Recognized in Balance Sheet		
Opening Net Liability	6609299	5258327
Expenses as Above	2160129	1350972
Contribution Paid	—	—
Closing Net Liability	8769428	6609299
IX Experience Anyalysis - Liabilities		
Actuarial (Gain)/Loss due to change in bases	(130,784)	—
Experience (Gain) / Loss due to Change in Experience	(746,231)	—
Total	(877,015)	—
Experience Anyalysis - Plan Assets	—	—
Experience (Gain) / Loss due to Change in Plan Assets	—	—
X Schedule VI Details		
Current Liability	528,719	—
Non-Current Liability	8,240,709	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

27. During the year, the Company has formulated a new Employee Stock Option Scheme 2010, under the nomenclature of "Pioneer Investcorp Limited Equity Option Scheme 2010", pursuant to the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 and pursuant to provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956. As per the Scheme, the Company has adopted granting of 20,00,000 options to the employees of the Group, exercisable into 20,00,000 equity shares of a face value of ₹ 10 per share, of the Company, at the market rate on the day prior to the day of granting, that vests in a graded manner.

The Company, under its various ESOP Plan/Schemes, has granted in aggregate 48,66,500 options, as on 31st March, 2012 (previous year 25,06,500).

Employee Stock option Reserve outstanding at the beginning of the year amounting to ₹ 14,42,071 (previous year 18,97,324) was reduced proportionately by ₹ Nil (previous year 3,22,953) on account of Share issued on the exercise of stock options and by ₹ 1,70,100 (previous year 1,32,300) on account of stock options forfeited/lapsed during the year.

The details of outstanding options are as under:

Particulars	2011-2012			2010-2011	
	ESOP 2010	ESOP 2007	ESOP 2006	ESOP 2007	ESOP 2006
Options in force at the beginning of the year	—	674,800	152,600	776,500	200,775
Add: Options granted during the year	2,000,000	360,000	—	—	—
Less: Options forfeited/lapsed	—	47,800	18,000	69,000	14,000
Less: Options Exercised during the	—	—	—	32,700	34,175
Options in force at the end of the year	2,000,000	987,000	134,600	674,800	152,600
Vested Options outstanding-opening	—	674,800	152,600	543,550	200,775
Add: Options vested during the year	—	—	—	232,950	—
Less: Options Exercised during the year	—	—	—	32,700	34,175
Less: Vested Options Lapsed	—	47,800	18,000	69,000	14,000
Vested Options outstanding-closing	—	627,000	134,600	674,800	152,600

28. Related Parties Disclosures**Category I : Key Management Personnel**

- (1) Mr. G. M. Gandhi - Managing Director
- (2) Mr. Rakesh Bhatia-Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**Category – II – Subsidiary Companies**

- (1) Infinity.com Financial Securities Ltd.
- (2) Pioneer Commodity Intermediaries Pvt. Ltd.
- (3) Pioneer Money Management Ltd.
- (4) Pioneer Investment Advisory Services Ltd.
- (5) Pioneer Wealth Management Services Ltd.
- (6) PINC Fund Advisors LLC (incorporated in Mauritius)
- (7) Pioneer Fundinvest Pvt. Ltd.
- (8) PINC Energy Resources Pvt. Ltd.
- (9) PINC International (Singapore) Pte. Limited (Ceased to be subsidiary)

Category – III –Entities under common control

- (1) Pioneer Intermediaries Pvt. Ltd.
- (2) Pioneer Insurance & Reinsurance Brokers Pvt. Ltd
- (3) Sharp Point Motors & Automobiles Pvt. Ltd.
- (4) Symbyosys Integrated Solutions Pvt. Ltd.
- (5) Pioneer Fund Advisors Pvt. Ltd.
- (6) Siddhi Portfolio Services Pvt. Ltd.
- (7) L.Gordhandas & Co. Clearing Agent Pvt. Ltd.
- (8) Benefit Realty Pvt. Ltd.
- (9) Festive Multitrade Pvt. Ltd.

Details of related party transaction carried out during the year ended 31st March, 2012

Nature of Transactions	31.03.2012 ₹	31.03.2011 ₹
Details of transactions with key management personnels (referred as category-I)		
Remuneration	13,306,248	9,700,008
Details of transactions with subsidiary companies (referred as category-II)		
Investment in Subsidiaries	180,000,000	—
Purchase of Investments	33,039,174	10,650,662
Sale of Investments	23,043,848	312,587
Loans & Advances (Given/(Recovered))	12,573,142	3,417,710
Advances written-off	18,638,801	—
Purchase of Government Securities	—	32,370,870
Sale of Government Securities	400,123,494	—
Brokerage on Purchase/Sale of Securities	2,212	—
Collateral Guarantees given	390,000,000	300,000,000
Closing balances((Cr)/Dr)	7,169,385	13,235,044

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

29. Provision for Income Tax has been made in the accounts as per the provisions of the Income Tax Act, 1961.
30. The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure requirements in this regard as per Schedule VI of the Companies Act, 1956 have not been provided.
31. In the opinion of the Board of Directors and to the best of their knowledge adequate provisions has been made in the accounts for all known liabilities and the current assets, loans and advances have a value on realization in the ordinary course of business.
32. The figures of the previous year are regrouped or reclassified, wherever necessary, to make them comparable with the figures of current year.

Signature to Notes 1 to 32

For Jayesh Dadia & Associates

Firm Reg. No. 121142W

Chartered Accountants

G.M.Gandhi
Managing Director

C.C.Dalal
Director

A.B.Desai
Director

C.M.Maniar
Director

Nishit Dave

Partner

M.No. : 120073

Rakesh Bhatia
CFO

A.J.Chandra
Company Secretary

Mumbai, 28th May 2012

Mumbai, 28th May 2012

DETAILS OF SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 (B) OF THE COMPANIES ACT, 1956.

Particulars	Infinity.com Financial Securities Limited		Pioneer Wealth Management Services Limited		Pioneer Money Management Limited		Pioneer Investment Advisory Services Limited		Pioneer Commodity Intermediaries Pvt. Limited		PINC Fund Advisors LLC (Mauritius)		PINC Energy Resources Pvt. Limited		Pioneer Fundinvest Pvt. Limited	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Share Capital	245,000,000	245,000,000	69,900,000	69,900,000	60,000,000	30,000,000	500,000	500,000	16,000,000	16,000,000	5,087,630	4,447,500	150,000,000	100,000	2,100,000	2,100,000
Reserves & Surplus	197,072,496	177,147,206	3,689,416	3,767,158	(342,049)	(321,138)	(47,443)	(51,973)	(3,232,262)	(3,074,700)	(9,796,300)	(9,302,558)	34,257	(1,508,930)	792,742	801,935
Total Assets	1,009,427,921	893,335,385	74,329,652	78,314,501	61,108,354	29,776,791	669,486	629,356	12,790,004	12,937,433	1,630,920	229,013	151,542,218	8,288,112	2,962,978	3,107,312
Total Liabilities	567,355,424	469,386,179	740,236	4,647,342	1,450,403	97,928	216,929	181,328	22,266	12,133	6,339,690	5,084,071	1,507,961	9,697,042	90,236	205,378
Investments	4,935,589	5,418,719.00	56,574,915	58,574,915	—	—	—	—	—	—	—	—	—	—	—	—
Revenue	276,527,123	403,524,220	390,565	2,216,175	751,524	38,424	51,524	38,424	118,039	92,148	3,122	—	6,508,136	194,612	56,697	193,999
Profit before Taxation	29,706,864	70,106,041	55,316	1,869,123	99,996	(33,307)	21,437	7,518	(144,105)	(402,500)	(493,742)	(5,322,275)	2,942,421	79,156	14,186	167,630
Provision for Taxation	9,781,573	18,778,930	133,058	792,198	120,908	11,418	16,908	11,412	13,457	(82,483)	—	—	1,399,234	22,000	23,379	63,377
Profit After Tax	19,925,291	51,327,111	(77,742)	1,076,925	(20,912)	(44,725)	4,529	(3,894)	(157,562)	(320,017)	(493,742)	(5,322,275)	1,543,187	57,156	(9,193)	104,253

Note: i) The annual accounts of the above Subsidiary Companies are open for inspection to any investor at the Company's Registered Office.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1	Name of the Subsidiary	Infinity.com Financial Securities Limited	Pioneer Wealth Management Services Limited	Pioneer Money Management Limited	Pioneer Investment Advisory Services Limited	Pioneer Commodity Intermediaries Pvt. Limited	PINC Fund Advisors LLC	Pioneer Fundinvest Pvt. Limited	PINC Energy Resources Pvt. Limited
2	Financial Year of the Subsidiary ended on	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
3	Date from which they became Subsidiary Companies	31.3.2007	25.04.2006	25.04.2006	08.05.2006	21.11.2006	25.05.2007	31.03.2008	26.04.2011
4	Holding Company's interest No. of Equity Shares	1,85,00,000 Equity shares of face value of ₹ 10 each fully paid up and 6,00,000 Redeemable Preference shares of face value of ₹ 100 each fully paid up	69,90,000 Equity shares of face value of ₹ 10 each fully paid up	60,00,000 Equity shares of face value of ₹ 10 each fully paid up	50,000 Equity shares of face value of ₹ 10 each fully paid up	16,00,000 Equity shares of face value of ₹ 10 each fully paid up	1,00,000 Ordinary shares of face value of USD 1 each fully paid up	21,000 Equity shares of face value of ₹ 100 each fully paid up	1,50,00,000 Equity shares of face value of ₹ 10 each fully paid up
	- Extent of Holding	100%	100%	100%	100%	100%	100%	100%	100%
5	The net aggregate amount of subsidiary's Profits/ (Losses) so far as it concerns the members of the Holding Company								

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary	Infinity.com Financial Securities Limited	Pioneer Wealth Management Services Limited	Pioneer Money Management Limited	Pioneer Investment Advisory Services Limited	Pioneer Commodity Intermediaries Pvt. Limited	PINC Fund Advisors LLC	Pioneer Fundinvest Pvt. Limited	PINC Energy Resources Pvt. Limited
(a) Not dealt with in the Holding Company's Accounts								
i) For the Financial Year ended 31.03.12 (₹)	19,925,291	(77,742)	(20,912)	4,529	(157,562)	(493,742)	(9,193)	1,543,187
ii) For the Financial Year ended 31.03.11 (₹)	51,327,111	1,076,925	(44,725)	(3,894)	(320,017)	(5,322,275)	104,253	57,156
(b) Dealt with in the Holding Company's Accounts								
i) For the Financial Year ended 31.03.12	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) For the Financial Year ended 31.03.11	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AUDITORS' REPORT

TO,
THE BOARD OF DIRECTORS OF PIONEER INVESTCORP LIMITED

1. We have audited the attached Consolidated Balance Sheet of PIONEER INVESTCORP LIMITED as at 31st March, 2012 and also Consolidated statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Pioneer Investcorp Limited's ("the Company") management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of financial statements of PINC Fund Advisors LLC (incorporated in Mauritius) we did not carry out the audit. These financial statements have been audited/reviewed by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of these subsidiary is based solely on the reports of other auditors. The financial statements of the said subsidiaries reflect total assets of ₹ 76,314 (previous year ₹ 66,728) as at 31st March 2012 and total revenues of ₹ 3,122 (previous year ₹ Nil) for the year ended 31st March 2012.
4. We report that the consolidated financial statements have been prepared by Pioneer Investcorp Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
 - (i) Based on our audit and on the other financial information of the components and to the best of our information and according to the explanations given to us, the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In case of the Consolidated Balance Sheet, of the state of affairs of the company as at 31st March, 2012 ;
 - (b) In case of the Consolidated statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) In case of the Consolidated Cash Flow statement, of the cash flow for the year ended on that date.

For **Jayesh Dadia & Associates,**
Firm Reg. No. 121142W
Chartered Accountants.

Nishit Dave
Partner
M.No.: 120073
Mumbai, 28th May 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012.

	Note No.	31.03.2012 ₹	31.03.2011 ₹
EQUITIES & LIABILITIES			
Shareholders' Funds			
Share Capital	1	128,946,972	128,946,972
Reserves & Surplus	2	1,070,322,547	1,004,269,562
"A"		<u>1,199,269,519</u>	<u>1,133,216,534</u>
Non-Current Liabilities			
Long Term Borrowings	3	949,358,967	659,952,839
Other Long Term Liabilities	4	63,497,159	48,913,768
Long Term Provisions	5	175,607,989	79,941,090
"B"		<u>1,188,464,115</u>	<u>788,807,697</u>
Current Liabilities			
Other Current Liabilities	6	147,007,962	246,152,751
Short Term Provisions	7	45,773,051	93,346,333
"C"		<u>192,781,013</u>	<u>339,499,084</u>
Total - "A" + "B" + "C"		<u><u>2,580,514,647</u></u>	<u><u>2,261,523,315</u></u>
ASSETS			
Non-Current Assets			
Fixed Assets	8		
Tangible Assets		94,149,926	110,888,954
Intangible Assets		10,315,196	15,931,791
Capital Work-in-Progress		751,030,857	380,838,357
Non Current Investments	9	61,203,595	62,310,659
Long Term Loans & Advances	10	348,815,588	237,649,634
Deferred Tax Asset	11	9,881,926	(10,877,322)
"A"		<u>1,275,397,088</u>	<u>796,742,073</u>
Current Assets			
Inventories	12	257,724	43,532,426
Current Investments	9	4,935,589	5,418,719
Trade Receivables	13	1,119,222,923	1,174,209,764
Cash & Cash Equivalants	14	130,729,944	186,800,546
Short Term Loans & Advances	15	46,079,431	52,046,614
Other Current Assets	16	3,891,948	2,773,173
"B"		<u>1,305,117,559</u>	<u>1,464,781,242</u>
Total - "A" + "B"		<u><u>2,580,514,647</u></u>	<u><u>2,261,523,315</u></u>

Summary of Significant Accounting Policies and Notes are an integral part of the Financial Statements

As per our report of even dated attached
For Jayesh Dadia & Associates
 Firm Reg. No. 121142W
 Chartered Accountants

G.M.Gandhi
 Managing Director

C.C.Dalal
 Director

A.B.Desai
 Director

C.M.Maniar
 Director

Nishit Dave
 Partner
 M.No. : 120073
 Mumbai, 28th May, 2012

Rakesh Bhatia
 CFO

A.J.Chandra
 Company Secretary

Mumbai, 28th May, 2012

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012.

	Note No.	31.03.2012 ₹	31.03.2011 ₹
INCOME			
Income From Operations	17	633,145,496	864,838,371
Other Income	18	31,029,480	28,172,962
Total Revenue		664,174,976	893,011,333
EXPENSES			
Employee Benefit Expenses	19	266,544,669	287,630,569
Finance Cost	20	84,835,422	96,432,873
Depreciation and Amortization Cost	8	23,475,816	24,113,944
Other Expenses	21	153,749,148	219,140,661
Total Expenses		528,605,055	627,318,047
PROFIT BEFORE EXTRAORDINARY ITEMS			
		135,569,921	265,693,286
Extraordinary Items	22	28,996,662	—
PROFIT BEFORE TAX			
		106,573,259	265,693,286
Tax Expense			
Less : Current Tax		(44,141,000)	(91,729,000)
Less : Earlier Years Tax		(22,906,733)	(2,877,298)
Add : Deferred Tax Assets		20,759,250	755,104
PROFIT AFTER TAX			
		60,284,776	171,842,092
Earning Per Equity Share			
	23		
Before Extraordinary Items- Basic/Diluted		7.26	14.00
After Extraordinary Items- Basic/Diluted		4.90	14.00

Summary of Significant Accounting Policies and Notes are an integral part of the Financial Statements

As per our report of even dated attached
For Jayesh Dadia & Associates
 Firm Reg. No. 121142W
 Chartered Accountants

Nishit Dave
 Partner
 M.No. : 120073
 Mumbai, 28th May, 2012

G.M.Gandhi
 Managing Director

A.B.Desai
 Director

Rakesh Bhatia
 CFO

C.C.Dalal
 Director

C.M.Maniar
 Director

A.J.Chandra
 Company Secretary

Mumbai, 28th May, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2012

Sr. No.	Particulars	For the Year 31.03.2012 ₹	For the Year 31.03.2011 ₹
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax and Extraordinary Items	135,569,921	265,693,287
	Adjustments for :		
	Depreciation	23,475,816	24,113,944
	Adjustment on disposal of Overseas Subsidiary	(28,996,662)	—
	Employee Stock Compensation Expense	(170,100)	(132,300)
	Finance Cost	84,835,422	96,432,873
	Interest /Dividend	(7,171,621)	(10,610,598)
	Provision in diminution in the value	1,107,064	—
	Preliminary Expenses	43,560	111,445
	(Profit)/Loss on sale of Fixed Assets	1,251,965	—
	(Profit)/Loss on sale of Investments	(5,650,045)	(14,703,477)
	Operating Profit Before Working Capital Changes	204,295,320	360,905,173
	Adjustments for :		
	Trade & Other Receivables	62,880,043	315,357,921
	Trade Payables & Other Liabilities	(103,515,514)	(1,171,386)
	(Increase)/Decrease in Net Current Assets	(40,635,472)	314,186,535
	Cash Generated from Operations	163,659,849	675,091,708
	Direct Taxes Paid	(70,945,346)	(7,776,681)
	Net Cash from Operating Activities	92,714,503	667,315,027
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed assets	(372,610,142)	(276,387,542)
	Sale of Fixed Assets	45,484	—
	Purchase of Investments	(29,973,113)	(62,159,661)
	Sale of Investments	36,106,290	72,444,459
	Interest /Dividend	7,171,621	10,610,598
	Net Cash Used in Investing Activities	(359,259,860)	(255,492,146)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Term Loan Taken / (Repaid)	262,975,906	231,164,694
	Overdraft Facility	86,431,830	—
	Cash Credit	(60,001,608)	(512,089,537)
	Dividend	(6,148,454)	(12,339,083)
	Dividend Distribution Tax	(997,433)	(2,001,871)
	Share Premium	—	2,310,903
	Employee Stock Option Reserve Reversal on issue	—	(322,954)
	Capital Reserve	(1,508,930)	—
	Share Issue Exp	(34,260)	—
	Share Capital Issued	—	668,750
	Adjustment on account of PINC International (Singapore) Pte Ltd.	13,863,962	—
	Foreign Exchange Currency Translation Reserve Account	729,165	(706,326)
	Finance Cost	(84,835,422)	(96,432,873)
	Net Cash from Financing activities	210,474,756	(389,748,297)
	Net Increase in Cash & Cash Equivalents	(56,070,602)	22,074,584
	Cash & Cash Equivalents at the beginning of the Year	186,800,546	164,725,962
	Cash & Cash Equivalents at the close of the Year	130,729,944	186,800,546

As per our report of even dated attached

For Jayesh Dadia & Associates

Firm Reg. No. 121142W

Chartered Accountants

Nishit Dave

Partner

M.No. : 120073

Mumbai, 28th May, 2012

G.M.Gandhi

Managing Director

A.B.Desai

Director

Rakesh Bhatia

CFO

C.C.Dalal

Director

C.M.Maniar

Director

A.J.Chandra

Company Secretary

Mumbai, 28th May, 2012

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Consolidation

a) Basis of Preparation

The individual Balance Sheet as at March 31, 2012 and Profit and Loss Account for the year ended March 31, 2012 of Pioneer Investcorp Limited ('the Company') and its subsidiaries ('companies and / or subsidiaries'), collectively referred to as 'Group', have been consolidated as per principles of consolidation enunciated in Accounting Standard (AS) 21- 'Consolidated Financial Statements' issued by the Council of The Institute of Chartered Accountants of India.

b) Principles of Preparation

The financial statements of the group companies of Pioneer Investcorp Limited are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of all inter-group transactions and balances have been eliminated on consolidation.

c) List of Subsidiaries Consolidated

The individual Balance Sheet as at March 31, 2012 and Profit and Loss Account for the year ended March 31, 2012 of following subsidiaries are included in consolidation.

Pioneer Wealth Management Services Limited

Pioneer Money Management Limited

Pioneer Investment Advisory Services Limited

Pioneer Commodity Intermediaries Private Limited

Infinity.com Financial Securities Limited

PINC Fund Advisors LLC (incorporated in Mauritius)

Pioneer Fundinvest Private Limited

PINC Energy Resources Private Limited

PINC International (Singapore) Pte. Ltd. (incorporated in Singapore) (a wholly owned subsidiary of Pioneer Investcorp Limited), disposed off during the year under consideration, hence the same is not considered in the preparation of these Consolidated Financial Statements.

2) Basis of preparation of financial statements

The financial statements have been prepared under historical cost convention on an accrual basis.

3) Depreciation on Fixed Assets

- (a) Depreciation is provided on Straight Line Method/Written Down Value at the rates specified in Schedule XIV of the Companies Act, 1956.
- (b) Depreciation on assets acquired or sold during the year/period has been charged pro-rata from/up to the date of acquisition/sale of the assets.
- (c) Intangible assets such as software, leasehold office premises etc are amortized over a period of Five (5) years

4) Inventories

All Shares and Securities are valued at Cost or market value, whichever is lower.

5) Stock Futures/Options:

(a) Future Contracts

- 1 Initial margin payment paid at the time of inception of the contract is shown under the head "Current Assets"

- 2 All the future contracts are marked to market on daily basis. The amount of marked to market margin received / paid into/from such accounts, are debited or credited to marked to market margin Index / Stock Future Account and appear as separate item as "Current Asset" or "Current Liability" as the case may be.
- 3 At the year end, appropriate provisions are created by debit to Profit & Loss Account for anticipated loss. Anticipated profit at the year end is ignored.
- 4 At the time of final settlement, the difference between the contract price and the settlement price is calculated and recognized in the Profit & Loss Account after adjusting provision created for anticipated loss, if any.

(b) Option Contract

- 1 At the inception of the contract, premium paid is debited to Index Option Premium Account or Stock Option Premium Account, as the case may be. On receiving the premium at the time of sale, the Index Option Premium Account or Stock Option Premium Account is credited and shown separately under the head "Current Assets" or "Current Liabilities" as the case may be.
- 2 All the Open Option Contracts are marked to market on daily basis in the similar manner as in the case of Future Contracts. If the Contracts are Open as on the Balance Sheet date, appropriate provision is made in the books of accounts by crediting / debiting the Profit & Loss Account.
- 3 At the time of Balance Sheet date, if the premium prevailing in the market for a contract of similar nature is lower than the premium so paid, then provision is made for the difference in the Profit & Loss Account.
If the premium received is lower than the premium prevailing in the market for contract of similar nature, appropriate provision for loss will be made by debiting Profit & Loss Account and crediting provision for loss on Index / Stock Option Account appearing under the head Current Liability.
- 4 At the time of settlement or at the time of squaring-up, premium is recognized either as expense or income as the case may be.

6) Borrowing Cost

Borrowing Cost that are attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. Such expenses are shown under Capital Work in Progress to be allocated to the relevant items of assets on such assets being put to use.

A qualifying asset is an asset that takes substantial period of time to get ready for the intended use.

Borrowing Cost other than those incurred for qualifying asset is expensed out in the year in which it is incurred.

7) Investments

All Investments are stated at cost and provision for diminution in value of permanent nature, if any, of Investments is charged to the Profit and Loss account.

8) Revenue Recognition

- (a) Advisory & Syndication Fees is recognized on the completion of assignment.
- (b) Brokerage income on Secondary Market transactions and Future & Options market transactions is recognized on settlement date.
- (c) Brokerage income on debt market transaction is recognized at the end of the month
- (d) Income from Securities/Investments is recognized on accrual basis.

9) Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the prevailing rates at the time transactions are effected. Foreign currency assets & liabilities outstanding at the year-end are translated at the rates of exchange ruling on that day. Any gain or loss on transactions are accounted in the Profit & Loss account, or adjusted in the value of Fixed Assets/Investments, as applicable.

10) Retirement Benefits

(a) Defined Contribution Plan

Company's contribution paid/payable during the year to provident fund, are charged to Profit & Loss Account. There are no other obligations other than the contribution payable to the respective trusts.

(b) Defined Benefit Plan

Company's liability towards gratuity are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discounted rate that is determined by the reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

11) Deferred Employee Stock Compensation

The Company has formulated an Employees Stock Option Scheme. The Scheme provides that employees are granted an option converted into equity shares of the Company that vests in a granted manner. The options may be exercised within a specified period. The Company follows the intrinsic value method as prescribed by the guidance note on "Accounting for stock options" issued by the Institute of chartered accountants of India ("ICAI") to account for its stock-based employees compensation plans. The accounting value of stock options representing the excess of the market price over the exercise price of the shares granted under "Employees Stock Option Scheme" of the Company is amortized as "Deferred Employees compensation" on a straight-line basis over the vesting period in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

12) Miscellaneous Expenditure

Preliminary Expenses, Development Expenditure, Share Issue Expenses in connection with Public Issue of Equity Shares by the Company and Rights Issue Expenses are written off over a period of 5 years.

13) Contingencies and Events occurring after the Balance Sheet Date

Accounting for contingencies (gains & losses) arising out of contractual obligations are made only on the basis of mutual acceptances. Events occurring after the date of Balance Sheet, where material, are considered upto the date of adoption of accounts.

14) Taxes on Income

Provision for current Income Tax and Fringe Benefit Tax has been computed in accordance with relevant tax regulations. Deferred tax is recognised for all timing differences between accounting income & taxable income and is quantified using enacted / substantively enacted tax rates as at the balance sheet date. Deferred tax assets are recognised subject to the management judgment that the realisation is reasonably certain.

15) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired.

If such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The reduction is treated as an impairment loss and is recognized in the Profit & Loss Account.

If at the Balance Sheet date there is an indication that if a previously assessed impaired loss no longer exists, the reassessed asset is reflected at the recoverable amount, subject to a maximum of depreciated historical cost.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012 ₹	31.03.2011 ₹
Note No.: 1		
SHARE CAPITAL		
Authorised Capital		
25,000,000 Equity Shares of ₹ 10/- each	250,000,000	250,000,000
(Previous Year: 25,000,000 Equity Shares of ₹ 10/- each)		
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed & Fully Paid Up Shares		
1,22,96,908 Equity Shares of ₹ 10/- each	122,969,080	122,969,080
(Previous Year: 1,22,96,908 Equity Shares of ₹ 10/- each)		
Add : Amount paid up on Shares Forfeited	5,977,892	5,977,892
Total Issued, Subscribed & Fully Paid up Share Capital	<u>128,946,972</u>	<u>128,946,972</u>
A) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:		
At the beginning of the reporting period:		
1,22,96,908(Previous Year 1,22,30,033) Equity Shares of ₹ 10/- each	122,969,080	122,300,330
Issued during the period- ESOP		
Nil (Previous Year 66,875) Equity Shares of ₹ 10/- each	—	668,750
Outstanding at the end of the period:		
1,22,96,908(Previous Year 1,22,96,908) Equity Shares of ₹ 10/- each	<u>122,969,080</u>	<u>122,969,080</u>
B) Details of Shareholders holding more than 5% shares in the Company:		
Gaurang M. Gandhi	50.11%	50.11%
61,61,663 (P.Y. 61,61,663) equity shares of ₹ 10/- each fully paid		
Note No.: 2		
RESERVES & SURPLUS		
General Reserve		
Balance as per Last Financial Statement	313,828,549	263,828,549
Add: Transfer From Statement of Profit & Loss	—	50,000,000
Closing Balance	<u>313,828,549</u>	<u>313,828,549</u>
Securities Premium	111,192,453	111,192,453
Employees Stock Options	1,271,971	1,442,071
Capital Reserve	133,623,236	135,132,166
Capital (Amalgamation) Reserve A/c	119,483,021	119,483,021
Foreign Exchange Currency Translation Reserve Account	132,748	(596,417)
Surplus in the Statement of Profit & Loss		
Balance as per Last Financial Statement	323,787,719	216,286,581
Profit for the Year	60,284,776	171,842,092
Add : Adjustment on account of PINC International (Singapore) Pte. Limited (the company disposed off during the year)	13,863,962	—
Less: Appropriations		
Proposed Dividend	6,148,454	12,339,083
Dividend Distribution Tax	997,433	2,001,871
Transferred to General Reserve	—	50,000,000
Net Surplus in the Statement of Profit & Loss	<u>390,790,570</u>	<u>323,787,719</u>
Total Reserves & Surplus	<u>1,070,322,547</u>	<u>1,004,269,562</u>

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012 ₹	31.03.2011 ₹
Note No.: 3		
LONG TERM BORROWINGS		
Secured Loans		
From Banks		
Term Loans	421,242,833	88,735,633
Cash Credit	838,307	60,839,915
Over Draft	382,633,457	296,201,627
From Financial Institutions-Term Loans	144,644,370	214,175,664
	949,358,967	659,952,839
Notes:		
1. Term Loans are secured by first charge on mortgage of office premises, all moveable capital assets and hypothecation of vehicles		
2. Cash Credit facilities are secured against pledge of Government Securities and Bonds.		
3. Over draft facility is secured against pledge of Fixed Deposit		
Note No.: 4		
OTHER LONG TERM LIABILITIES		
Dividend Payable	6,148,454	12,296,908
Dividend Distribution Tax Payable	997,433	1,994,866
Unclaimed Dividends	1,157,143	946,264
Advance From clients	5,100,000	5,100,000
Trade Payables		
Due to Other than SMEs		
For Expenses	720,314	—
Others	49,373,815	28,575,730
	63,497,159	48,913,768
Note No.: 5		
LONG TERM PROVISIONS		
Provision for Tax	151,993,500	61,038,781
Provision for FBT	—	1,530,000
Provision for Gratuity	22,500,422	16,258,242
Provision for Leave Encashment	672,729	672,729
Provision for Super Annuation	441,338	441,338
	175,607,989	79,941,090
Note No.: 6		
OTHER CURRENT LIABILITES		
Trade Payables		
Due to Other than SMEs		
For Expenses	12,368,679	34,212,109
For Others	65,719,635	64,714,007
For Securities and Bonds	50,569,485	111,473,215
Duties & Taxes Payable	18,350,163	35,753,420
	147,007,962	246,152,751
Note No.: 7		
SHORT TERM PROVISIONS		
Income Tax	44,141,000	91,729,000
Gratuity	1,632,051	1,617,333
	45,773,051	93,346,333

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

**Note No.: 8
FIXED ASSETS**

Particulars of Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2011 year ₹	Additions during the year ₹	Deductions during the year ₹	As on 31.03.2012 ₹	Upto 31.03.2011 ₹	For the year ₹	Deductions/ Adjustments ₹	Upto 31.03.2012 ₹	As on 31.03.2012 ₹	As on 31.03.2011 ₹
TANGIBLE										
Premises	14,328,820	—	—	14,328,820	3,014,378	233,560	—	3,247,938	11,080,882	11,314,442
Leasehold Office Premises	16,726,567	—	—	16,726,567	5,618,540	3,345,313	—	8,963,853	7,762,714	11,108,027
Office Equipments **	83,128,402	652,849	306,576	83,474,675	30,049,025	10,903,091	263,877	40,688,240	42,786,435	53,079,377
Furniture & Fixtures**	38,694,262	—	1,618,987	37,075,275	8,636,077	2,329,004	364,237	10,600,843	26,474,432	30,058,185
Vehicles	8,870,303	1,764,793	—	10,635,096	3,692,327	897,305	—	4,589,632	6,045,464	5,177,976
Total	161,748,354	2,417,642	1,925,563	162,240,433	51,010,348	17,708,273	628,114	68,090,507	94,149,926	110,738,006
Previous Year	153,432,900	8,315,454.00	—	161,748,354	32,604,013	18,406,334	—	51,010,348	110,738,006	120,828,887
INTANGIBLE										
Software	28,833,442	—	—	28,833,442	12,750,703	5,767,543	—	18,518,245	10,315,197	16,082,739
License Fees	960,731	—	—	960,731	960,731	—	—	960,731	—	—
Total	29,794,173	—	—	29,794,173	13,711,434	5,767,543	—	19,478,976	10,315,197	16,082,739
Previous Year	27,049,367	2,744,806.00	—	29,794,173	8,003,824	5,707,610	—	13,711,434	16,082,739	19,045,543
Tangible Capital Work-in-progress*									751,030,857	380,838,357

* Advance paid for the office premises under construction which includes the interest charged on the borrowed funds and other related expenditures.

** The company has not consolidated one of its overseas subsidiary " PINC International (Singapore) Pte Ltd". Hence the fixed assets pertains to the said subsidiary included in the opening balance is reduced as reflected in the deduction column as above.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012 ₹	31.03.2011 ₹
Note No.: 9		
NON CURRENT TRADE INVESTMENTS		
{Long Term, at cost}		
(A) Quoted		
Arihant Foundations & Housing Ltd. (2,645 fully paid Equity Shares (previous year 2,645) of ₹ 10/- each)	1,235,744	1,235,744
(Market Value as on 31st March 2012 is ₹ 1,28,679 (previous year ₹ 165,445))		
Less : Provision for diminution	1,107,064	—
Total (A)	128,680	1,235,744
(B) Unquoted		
(i) Investments in Associate Companies		
Pioneer Insurance & Reinsurance Brokers Pvt Ltd. (250,000 fully paid Equity Shares (previous year 250,000) of ₹ 10/- each)	2,500,000	2,500,000
(ii) Investments in Other Companies		
Bill Forge Pvt Ltd. (3,300 fully paid Equity Shares (previous year 3,300) of ₹ 10/- each)	16,516,500	16,516,500
Sansera Engineering Pvt. Ltd (265 fully paid Equity Shares (previous year 265) of ₹ 100/- each)	42,058,415	42,058,415
Total (B)	61,074,915	61,074,915
Total Non-current Investments (A + B)	61,203,595	62,310,659
Current Trade Investments		
Quoted		
Lok Housing & Constructions Ltd. Nil fully paid Equity Shares (previous year 25,000) of ₹ 10/- each (Market Value as on 31st March 2012 is ₹ Nil (previous year ₹ 6,03,750))	—	874,879
Rids Securities Ltd. (Nil fully paid Equity Shares (previous year 28,044) of ₹ 10/- each) (Market Value as on 31st March 2012 is ₹ Nil (previous year ₹ 13,44,710))	—	1,252,616
Seax Global Venture Ltd. (Nil fully paid Equity Shares (previous year 1,00,000) of ₹ 10/- each) (Market Value as on 31st March 2012 is ₹ Nil (previous year ₹ 12,45,000))	—	2,110,000
Solid Stone Company Ltd. (Nil fully paid Equity Shares (previous year 24,948) of ₹ 10/- each) (Market Value as on 31st March 2012 is ₹ Nil (previous year ₹ 11,95,009))	—	1,180,645
Crompton Greaves Ltd. (Nil fully paid Equity Shares (previous year 2) of ₹ 10/- each) (Market Value as on 31st March 2012 is ₹ Nil (previous year ₹ 546))	—	579
Kaleidoscope Films Ltd. (5,00,000 fully paid Equity Shares (previous year Nil) of ₹ 1- each) (Market Value as on 31st March 2012 is ₹ 71,12,246 (previous year ₹ Nil))	4,935,589	—
(Total Market Value as on 31st March 2012 is ₹ 71,12,246 (previous year ₹ 43,89,015))		
Total Current Investments	4,935,589	5,418,719

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012 ₹	31.03.2011 ₹
Note No.: 10		
LONG TERMS LOANS & ADVANCES		
(Unsecured Considered Good Unless Otherwise Stated)		
Security Deposits	50,710,430	56,232,965
Advances to Subsidiaries/Associates	5,000,000	5,000,000
Advances to Staff	33,827,000	—
Trade Receivables	9,802,569	3,612,075
Other Advances	85,118,161	54,531,894
Advance Tax	164,357,428	116,744,972
Fringe Benefit Tax	—	1,527,728
	<u>348,815,588</u>	<u>237,649,634</u>
Note No.: 11		
DEFERRED TAX ASSET		
On Account of Depreciation Difference	(15,145,958)	(17,925,573)
On Account of 43B disallowances	8,604,961	7,048,251
On Account of brought forward lossess	16,422,923	—
	<u>9,881,926</u>	<u>(10,877,322)</u>
Note No.: 12		
INVENTORIES		
(As taken and Certified by the Management)		
Stock In Trade		
Government Securities / Bonds	257,724	43,532,426
	<u>257,724</u>	<u>43,532,426</u>
Note No.: 13		
TRADE RECEIVABLES		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due	853,905	5,370,403
Others	1,118,369,018	1,168,839,361
	<u>1,119,222,923</u>	<u>1,174,209,764</u>
(Debtors includes ₹ 9120.66 lacs (previous year ₹ 7137.95 lacs) on account of sale of Securities and Bonds)		
Note No.: 14		
CASH & CASH EQUIVALENTS		
Balance with Banks		
In Fixed Deposits	57,046,050	106,437,328
Accured Interest	3,754,622	6,357,823
In Current Accounts	69,366,914	73,366,814
Cash On Hand	562,358	638,581
	<u>130,729,944</u>	<u>186,800,546</u>
Note No.: 15		
SHORT TERM LOANS & ADVANCES		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or in kind for the value received	2,599,509	34,891,409
Current Years' Advance Tax	41,472,284	16,611,666
Balance with Government Authorities	2,007,638	543,539
	<u>46,079,431</u>	<u>52,046,614</u>

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012 ₹	31.03.2011 ₹
Note No.: 16		
OTHER CURRENT ASSET		
Miscellaneous Expenditure		
Preliminary Expenditure (to the extent not written off)	23,490	1,300
Deferred Expenditure (to the extent not written off)	62,270	93,760
Prepaid Expenses	3,806,188	2,678,113
	<u>3,891,948</u>	<u>2,773,173</u>
Note No.: 17		
REVENUE FROM OPERATIONS		
I) Investment Banking and Advisory Fees/Commodity	504,575,612	691,765,479
II) Brokerage and Depository Services	44,470,610	106,052,477
III) Income from Trading in Securities/Commodities		
A. From Trading		
Sales (a)	89,960,315,394	25,324,644,760
Closing Inventory (b)	257,724	43,532,426
Purchases (C)	89,871,859,555	24,477,802,512
Opening Inventory (d)	43,532,426	823,354,259
Sub-Total A (a+b-c-d)	<u>45,181,137</u>	<u>67,020,415</u>
B. From Others	38,918,137	—
Sub-Total C (A+B)	<u>84,099,274</u>	<u>67,020,415</u>
Total (I+II+III)	<u>633,145,496</u>	<u>864,838,371</u>
Note No.: 18		
OTHER INCOME		
Interest Income	7,050,930	10,477,203
Dividend	120,691	133,395
Net Gain / (Loss) on Sale of Investments	5,650,045	14,703,477
Foreign Exchange Rate Difference	16,030,000	—
Miscellaneous Income	2,177,814	2,858,887
	<u>31,029,480</u>	<u>28,172,962</u>
Note No.: 19		
EMPLOYEE BENEFIT EXPENSES		
Salaries & Bonus	248,546,122	268,468,191
Gratuity	7,395,624	2,758,219
Contribution to Provident Fund	7,541,866	9,340,929
Staff Welfare	3,061,057	7,063,230
	<u>266,544,669</u>	<u>287,630,569</u>
Note No.: 20		
FINANCE COSTS		
Interest		
to Banks	72,170,769	87,982,943
to others	90,411	32,395
for delayed payments	4,141,300	—
Bank Commission	8,432,942	7,976,779
Loss on Foreign Exchange Fluctuation	—	440,756
	<u>84,835,422</u>	<u>96,432,873</u>

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012 ₹	31.03.2011 ₹
Note No.: 21		
OTHER EXPENSES		
Rent	29,698,835	48,245,618
Business Promotion Expenses	6,109,438	6,938,168
Power and Fuel	2,567,558	4,117,008
Computer and Software Expenses	2,133,533	3,322,267
Membership and Subscription	9,554,602	7,982,511
Repairs & Maintenance	5,230,664	4,611,002
Office Expenses	2,202,831	4,623,533
Postage, Telex and Telephones	9,335,349	14,404,334
Printing and Stationery	1,809,405	2,662,561
Directors' Sitting Fees	391,940	358,295
Travelling and Conveyance	27,192,366	17,976,020
Motor Car Expenses	10,569,299	22,512,119
Legal and Professional Charges	31,715,252	61,321,837
Diminution in the value of Investments	1,107,064	—
Donation	326,000	2,514,000
Stock Exchange Charges	1,072,609	1,843,996
Auditors' Remuneration:		
Audit Fees	712,360	655,150
Tax Audit Fees	50,000	50,000
Certification work	180,000	180,000
Preliminary Expenses w/off	12,070	123,311
Amortisation of Share Issue Expenses	31,490	31,490
Miscellaneous Expenses	11,746,483	14,667,440
	<u>153,749,148</u>	<u>219,140,661</u>
Note No.: 22		
EXTRAORDINARY ITEMS		
Loss on disposal of overseas subsidiary (PINC International (Singapore) Pte. Ltd.)	28,996,662	—
	<u>28,996,662</u>	<u>—</u>
Note No.: 23		
EARNINGS PER SHARE		
Profit after tax before extraordinary item as per Profit & Loss Account (A) (₹)	89,281,438	171,842,092
Net Profit as per Profit & Loss Account (B) (₹)	60,284,776	171,842,092
Weighted average number of Equity Share used in computing basic/diluted earning per share(C) (No. of Shares)	12,296,908	12,275,854
Earning Per Share before extraordinary items (₹) Basic/Diluted- (A/C)	7.26	14.00
Earning Per Share after extraordinary items (₹) Basic/Diluted- (B/C)	4.90	14.00

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012	31.03.2011
	₹	₹
Note No.: 24		
FOREIGN CURRENCY TRANSACTIONS		
Foreign Earnings		
Professional Fees	232,717,222	110,975,857
Other Income	69,079	124,900
	<u>232,786,301</u>	<u>111,100,757</u>
Foreign Expenses		
Travelling	987,997	772,677
Books & Periodicals	16,947	—
Subscription Charges	1,239,533	—
Professional Fees	1,284,989	7,853,907
	<u>3,529,466</u>	<u>8,626,584</u>
Note No.: 25		
CONTINGENT LIABILITY		
Counter Guarantees given to banks	390,000,000	300,000,000
Guarantees issued by the banks in the books of subsidiaries	85,800,000	127,800,000
Against pledge of fixed deposits	52,346,610	76,066,955

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note No.: 26

SEGMENT REPORTING

As required by Accounting Standard (AS-17) issued by the Institute of Chartered Accountants of India, particulars regarding Company's operations predominately comprises of Investment Banking /Coal consultancy/Equity Broking and Income from Shares and Securities. The Company does not have Secondary Segments

	Advisory & Merchant Banking Fees	Income From Coal and Energy Resources	Income From Securities/ Investments	Equity Brokerage and related Income	Total As on 31.3.2012
	₹	₹	₹	₹	₹
Segment Revenue	452,823,222	74,290,526	83,262,624	50,878,903	661,255,275
	<i>644,265,479</i>	<i>47,500,000</i>	<i>81,723,892</i>	<i>106,052,477</i>	<i>879,541,848</i>
Add:Unallocated Revenue	—	—	—	—	2,919,701
	—	—	—	—	<i>13,469,485</i>
Total Revenue	452,823,222	121,790,526	83,262,624	50,878,903	664,174,976
	<i>608,251,883</i>	<i>95,000,000</i>	<i>117,737,489</i>	<i>111,839,391</i>	<i>893,011,334</i>
Segment Result before Tax	351,924,983	46,778,765	25,291,923	34,735,183	458,730,854
	<i>485,324,147</i>	<i>25,791,797</i>	<i>31,937,055</i>	<i>95,823,138</i>	<i>638,876,137</i>
Add:Unallocated Income/(Expenses)(net)	—	—	—	—	(323,160,933)
	—	—	—	—	<i>(373,182,851)</i>
Operating Profit	—	—	—	—	135,569,921
	—	—	—	—	<i>265,693,287</i>
Finance Charges	—	—	—	—	—
	—	—	—	—	—
Extraordinary Items	—	—	—	—	28,996,662
	—	—	—	—	—
Provision for Tax	—	—	—	—	(23,381,750)
	—	—	—	—	<i>(90,973,896)</i>
Provision for Tax for earlier years	—	—	—	—	(22,906,734)
	—	—	—	—	<i>(2,877,298)</i>
Net Profit	—	—	—	—	60,284,776
	—	—	—	—	<i>171,842,093</i>
Segment Assets	207,156,772	—	978,463,059	101,241,603	1,286,861,434
	<i>404,138,761</i>	<i>47,153,250</i>	<i>768,815,432</i>	<i>178,875,049</i>	<i>1,398,982,492</i>
Add: Unallocated Assets	—	—	—	—	1,293,653,213
	—	—	—	—	<i>872,514,609</i>
Total Assets	—	—	—	—	2,580,514,647
	—	—	—	—	<i>2,271,497,101</i>
Segment Liabilities	17,315,725	—	51,407,792	112,557,544	181,281,061
	<i>8,264,148</i>	—	<i>176,812,915</i>	<i>79,542,719</i>	<i>264,619,782</i>
Add: Unallocated Liabilities	—	—	—	—	1,199,964,067
	—	—	—	—	<i>873,755,846</i>
Total liabilities	—	—	—	—	1,381,245,129
	—	—	—	—	<i>1,138,375,628</i>
Capital Expenditure	—	—	—	—	372,610,142
	—	—	—	—	<i>391,898,617</i>
Depreciation	—	—	—	—	—
	—	—	—	—	—
Unallocated Depreciation	—	—	—	—	23,475,816
	—	—	—	—	<i>24,113,944</i>
Total Depreciation	—	—	—	—	23,475,816
	—	—	—	—	<i>24,113,944</i>

Notes

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organization structure as well as the differential risks and returns of these segments.
2. The Company has disclosed business segments as the primary segment.
3. Since the Company provides services in the same economic environment, there are no geographic segments.
4. Figures in *Italics* are previous year figures.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

27. During the year the company expanded its business foray into coal segment and acquired 100% shareholding in PINC Energy Resources Private Limited, a company already into the business of domestic coal trading. The business of coal trading is the logical extension of coal consultancy, which the company is offering from last two years as a part of Investment Banking Services.
28. The extraordinary represents loss on disposal of overseas subsidiary, PINC International (Singapore) Pte. Ltd. (incorporated in Singapore) amounting to ₹ 289.97 lacs. Hence the same is not considered in the preparation of these Consolidated Financial Statement.
29. The Consolidated Financial Statements envisage combining of financial statements of Pioneer Investcorp Ltd., and its following domestic and foreign subsidiaries:

Name of Subsidiary	% holding of Pioneer Investcorp Ltd.	Date of Financial Statement
Pioneer Wealth Management Services Limited	100	31st March, 2012
Pioneer Money Management Limited	100	31st March, 2012
Pioneer Investment Advisory Services Limited	100	31st March, 2012
Pioneer Commodity Intermediaries Private Limited	100	31st March, 2012
Infinity.com Financial Securities Limited	100	31st March, 2012
PINC Fund Advisors LLC	100	31st March, 2012
Pioneer Fundinvest Private Limited	100	31st March, 2012
PINC Energy Resources Private Limited	100	31st March, 2012

30. Related Party Disclosures

Category I : Key Management Personnel

- (1) Mr. G. M. Gandhi – Managing Director
- (2) Late. Mr. M.M. Gandhi- Director of Subsidiary
- (3) Mr. Hemang Gandhi-Director of Subsidiary
- (4) Mr. Ketan Gandhi- Director of Subsidiary
- (5) Mr.Rakesh Bhatia- Director of Subsidiary

Category – II - Entities under common control

- (1) Pioneer Intermediaries Pvt. Ltd
- (2) Pioneer Insurance & Reinsurance Brokers Pvt. Ltd.
- (3) Siddhi Portfolio Services Pvt. Ltd
- (4) Sharp Point Motors & Automobiles Pvt. Ltd.
- (5) Symbyosys Integrated Solutions Pvt. Ltd.
- (6) Pioneer Fund Advisors Pvt. Ltd.
- (7) Extermpore Securities & Investment Pvt. Ltd.
- (8) Associated Capital Market Management Pvt. Ltd.
- (9) Sargam Multitrade Pvt. Ltd.
- (10) Devraj Properties Pvt. Ltd.
- (11) L.Gordhandas & Co. Clearing Agent Pvt. Ltd.
- (12) Benefit Reality Pvt. Ltd.
- (13) Festive Multitrade Pvt. Ltd.

Category III : Associate Concern

- (1) Associated Instruments & Services

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Details of related party transaction carried out during the year ended 31st March, 2012

Nature of Transactions	31.03.2012 ₹	31.03.2011 ₹
Details of transactions with key management personnels (referred as category-I)		
Remuneration	23,306,256	21,366,680
Sale of Securities	30,317,190	—
Purchase of Securities	42,012,187	—
Brokerage earned on purchase/sale of securities	80,803	5,288
Brokerage earned on F&O transactions	1,700	—
Closing Balances (Debit/(Credit))	(2,374,249)	430
Details of transactions with entities under common control (referred as category-II)		
Sale of Securities	274,952,485	356,451,973
Purchase of Securities	121,921,677	399,532,918
Brokerage earned on purchase/sale of securities	31,399	104,605
Brokerage earned on F&O transactions	2,451,269	901,975
Closing Balances (Debit/(Credit))	(38,989,610)	(6,321,091)

31. The figures of the previous year are regrouped or reclassified, wherever necessary, to make them comparable with the figures of current year.

Signature to Notes 1 to 31

For Jayesh Dadia & Associates

Firm Reg. No. 121142W
Chartered Accountants

G.M.Gandhi
Managing Director

C.C.Dalal
Director

A.B.Desai
Director

C.M.Maniar
Director

Nishit Dave

Partner

M.No. : 120073

Mumbai, 28th May 2012

Rakesh Bhatia
CFO

A.J.Chandra

Company Secretary

Mumbai, 28th May 2012

PIONEER INVESTCORP LIMITED

Regd. Office : 1218 Maker Chambers V, 12th Floor, Nariman Point, Mumbai 400 021.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
(Member's Folio No. & Name of the Shareholder/Joint Holders & address in Block Letters to be furnished below)

I hereby record my presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company at Kilchand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai 400 020 on Friday, 7th September, 2012 at 11.30 a.m.

Signature of the Shareholder or Proxy

NOTES :

Shareholders / Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.

Shareholders who come to attend the Meeting are requested to bring their copies of the Annual Report with them.

Shareholders are requested to advise, indicating their Folio Nos., the change in their address, if any, to the Registrar & Share Transfer Agents, M/s. Satellite Corporate Services Private Limited, B-302, Sony Apartments, Opp. St. Jude High School, Off. Andheri Kurla Road, Jarimari, Sakinaka, Mumbai 400 072.

----- (Tear here) -----

PIONEER INVESTCORP LIMITED

Regd. Office : 1218 Maker Chambers V, 12th Floor, Nariman Point, Mumbai 400 021.

PROXY FORM

Folio No. _____

I/We _____ of _____
being a Member / Members of PIONEER INVESTCORP LIMITED hereby appoint _____ of

_____ of failing him _____ of _____

as my/our Proxy to vote for me/us and on my/our behalf at the Twenty Seventh Annual General Meeting of the Company to be held on Friday, 7th September, 2012 at 11.30 a.m. at Kilchand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof.

Signed this _____ day of _____ 2012.



Signature _____

Notes : The Proxy form must be returned so as to reach the Registered Office of the Company - not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

PINC

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