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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

Mr. R. M. Bhatia
Chief Financial Officer

COMPANY SECRETARY

Mr. A. J. Chandra

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

REGISTRARS & SHARE TRANSFER AGENTS

M/s. 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

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of Pioneer Investcorp Limited will be held on Wednesday, 11th August, 2010, at 11.30 a.m., in 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, 2010 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, 2010.
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, 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 remuneration as determined by the Board of Directors in consultation with the Auditors, which remuneration be paid on a progressive billing basis as 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: 10th May, 2010.

Amit Chandra
Company Secretary

NOTES:

1. A member entitled to attend and vote is also entitled to appoint a proxy on a poll and the 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 Company's Equity Shares will remain closed from 7th August, 2010 to 11th August, 2010, (inclusive of both days).
3. Dividend on Equity Shares, when sanctioned, will be payable on or after 11th August, 2010, to Shareholders whose names stand on the Company's Register of Members on Wednesday, 11th August, 2010. Regarding Shares held in electronic form, the dividend will be paid based on beneficial ownership as of end of the day on Friday, 6th August, 2010 as per data furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL) for this purpose.
4. Members are hereby informed that dividends that remain unclaimed / unencashed over seven 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. Following are the details of dividend paid by the Company and the respective due dates of transfer to the fund of the Central Government for unpaid Dividend.

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	21st September, 2015.

It may be noted that no claim of the shareholders will be entertained for unclaimed dividend, which has been transferred to 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, 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 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 the Twenty Fifth Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the year ended 31st March, 2010.

Financial Highlights	2009-2010 (Rupees in lakhs)	2008-2009 (Rupees in lakhs)
Profit before Tax	1548.80	47.56
Less:- Provision for Tax	380.00	16.50
Less:- Fringe Benefit Tax	—	10.39
Less:- Deferred Tax Liabilities	43.89	72.46
Less:- Prior Period Item (net of tax expense)	—	1155.29
Less:- Short Provision for Tax for Earlier Years	—	30.25
Net Profit / (Loss) after Tax	1124.91	(1237.33)
Add: Balance Brought Forward from the Previous Financial Year	561.16	1798.49
Less: Proposed Dividend	122.43	—
Less: Tax on Proposed Dividend	20.34	—
Less: Transfer to General Reserve	300.00	—
Balance Carried Forward to Balance Sheet	1243.31	561.16

Performance Review

The economic environment in India improved significantly in Financial Year 2010. The Index of Industrial Production (IIP) increased 10.4% during Financial Year 2010 compared with 2.7% during Financial Year 2009. Exports growth also turned positive from October 2009 after declining for 12 consecutive months. Net FII inflows into India improved to US\$ 23.6 billion during April-December 2009 from US\$ 11.3 billion in the year ago period. The growth in gross domestic product (GDP) during the first half of Financial Year 2010 grew 7% compared with 6% in the second half of Financial Year 2009. During third quarter of Financial Year 2010, GDP growth moderated to 6% mainly due to 2.8% decline in agricultural output owing to below-normal monsoons, and a moderate 6.6% growth in services. For Financial Year 2010, GDP grew at a robust pace of 7.4% exceeding Central Statistical Organisation's (CSO) estimate of 7.2%. During the second half of Financial Year 2010, inflationary pressure increased driven largely by food price inflation. Inflation, as measured by the wholesale price index increased from a low of -1% in June 2009 to 9.9% in March 2010.

The Equity markets also recovered significantly with the BSE Sensex increasing 80.5% from 9,709 as of March 31, 2009 to 17,528 as of March 31, 2010. The rupee appreciated from Rs. 51 per US dollar at end Financial Year 2009 to Rs. 45.1 per US dollar at end Financial Year 2010. The positive trends in the economy were also observed in the banking sector. Non-food credit growth at end December 2009 was 12.7% year-on-year compared with 17.8% at March 2009. Credit growth too revived during the fourth quarter of Financial Year 2010 with non-food credit growth reaching 16.9% at end-Financial Year 2010.

During the year under review, despite the volatility witnessed in the global and domestic markets the Company continued to strengthen its core competence in Investment Banking by rendering project and financial advisory services including private placement of Equities and issue of Bonds/GDRs/FCCBs to various corporate clients and industrial houses.

Key results include significant growth in the top line and bottom line. Total income increased 68% to Rs.3678.36 lakhs as against Rs.2184.78 lakhs in the year ago period and profit before tax rose more than 30 times to Rs.1548.80 lakhs versus Rs.47.56 lakhs.

Increase in Share Capital

During the year under review, the Company issued 2,00,200 Equity Shares on exercise of stock options by the Independent Directors and employees of the Company and its subsidiary under the "Pioneer Investcorp Ltd. – Employee Stock Options Scheme - 2006"; consequently, issued, subscribed and paid up Equity Share Capital increased from Rs.1202.98 lakhs to Rs.1223.00 lakhs as of March 31st, 2010.

Dividend

Considering the future expansion plans and the requirement of proposed capital expenditure and working capital for the Company, the Board of Directors of the Company, has recommended dividend @ 10% (Rs.1.00 per Equity Share of face value of Rs.10/- each) for the year ended March 31, 2010, subject to approval of shareholders at the Annual General Meeting. The dividend, if declared as above, would involve an outflow of Rs.122.43 lakhs including Rs.20.34 lakhs toward dividend tax, resulting in a total outflow of Rs.142.77 lakhs.

Subsidiary and Consolidated Financial Statements

During the year under review, the Company completed the process of voluntary winding up of Pioneer Investcorp International Ltd., a wholly owned Subsidiary situated in DIFC Dubai. A Company has been incorporated in Singapore "PINC International (Singapore) Pte. Ltd." and is awaiting license to commence commercial operations.

On an application made by the Company, the Ministry of Corporate Affairs has granted exemption under Section 212(8) of the Companies Act, 1956, from attaching to the Holding Company's Balance Sheet, Accounts and other documents of all its existing Subsidiaries, including its overseas Subsidiary. 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. The Company has attached the Consolidated Financial Statements in this Annual Report, which includes the financials of all its existing Subsidiaries, including its overseas Subsidiary. The Consolidated financial statements indicate that revenue from operations and Profit before tax for the year under review was Rs.6451.73 lakhs and Rs.2153.68 lakhs respectively.

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 selected such accounting policies and have applied them consistently and made judgements and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) The Directors took proper and sufficient care for 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 31st March, 2010, 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 provided separately in the Annual Report.

Fixed Deposits

The Company did not accept 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.

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

Auditors and Auditors Report

M/s. Jayesh Dadia & Associates, Chartered Accountants, and Auditors of the Company, will retire at the conclusion of the ensuing Annual General meeting, and being eligible, they offer themselves for reappointment. The Company received a certificate from the Auditors 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 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 thereunder, 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 and any Shareholder interested in obtaining a copy may write to the Company Secretary.

Conservation of Energy, Technology Absorption, Foreign Earnings and Outgoings

The Company has no activities relating to Conservation of Energy and Technology Absorption.

Details of the Company's foreign exchange earnings and outgo during the year under review are given in Note no.21 of Schedule 11 – Significant Accounting Policies and Notes to Accounts.

Employee Stock Option Schemes

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

Corporate Governance Report

The Company has complied with all the mandatory provisions of the revised Clause 49 of the Listing Agreement. As part of the Company's efforts toward better corporate practice and transparency, a separate report on Corporate Governance compliance is included as part of the Annual Report.

Acknowledgments

The Board wishes to express its 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
10th May, 2010.

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 two schemes, namely "Pioneer Investcorp Limited Employee Stock Option Scheme, 2006" (ESOP Scheme - 2006) and "Pioneer Investcorp Limited Employee Stock Option Scheme, 2007" (ESOP Scheme - 2007).

Disclosures of both these Schemes, as of 31st March, 2010, 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
a. Total grants authorized by the Plan (No.)	10,00,000	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 on 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 on Bombay Stock Exchange Limited prior to the day on which the options were granted.
c. Variation in terms	No variations made in terms of the options granted.	No variations made in terms of the options granted.
d. Options granted during the year (No.)	Nil	Nil
e. Weighted Average Price per option granted	Rs.22.05	Rs.100.52
f. Options vested as of March 31, 2010 (No.)	2,00,775	6,60,800
g. Options exercised during the year (No.)	2,00,200	Nil
h. Money raised on exercise of options	Rs.44,14,410/- (Rupees Forty four lakhs fourteen thousand four hundred ten only)	Nil
i. Options forfeited and lapsed during the year (No.)	93,625	3,35,000
j. Total number of options in force at the end of the year (No.)	2,00,775	7,76,500
k. Employee-wise details of options granted to		
i) Senior management	None	None
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	None

Particulars	ESOP Scheme - 2006	ESOP Scheme - 2007
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	None
l. 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).	Rs. 11	Rs. 11
m. Where the Company calculated the employee compensation cost using 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.	<p>Increase in profit by Rs.21,50,086.</p> <p>Increase in Basic EPS - Rs.0.18.</p> <p>Increase in Diluted EPS - Rs.0.18.</p>	<p>Increase in profit by Rs.1,87,84,410.</p> <p>Increase in Basic EPS - Rs.1.55.</p> <p>Increase in Diluted EPS - Rs.1.55.</p>
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.	<p>Exercise Price - Rs.22.05.</p> <p>Fair Value - Rs.17.92.</p>	<p>Exercise Price - Rs.100.52.</p> <p>Fair Value - Rs.46.80.</p>
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%
(b) Expected life	4 - 7 Years	4 - 6 Years
(c) Expected volatility	48.89%	26.64% - 64.36%
(d) Expected dividends	1.59%	0.42% to 2.15%
(e) Price of the underlying share in the market at the time of option grant	Rs.31.50.	Rs.58.20. - Rs.294.61.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The Company is a registered Merchant Banker, with Category – I license from SEBI and provides Investment Banking and Financial Advisory Services. The Company offerings include formulating capital structure, raising capital, debt restructuring, project financing and other corporate advisory services.

The Company and its Subsidiaries, over the years, have developed a strong understanding of many sectors due to their equity research capabilities and have leveraged this to develop long standing relationships with corporate and institutional investors. The Company and its subsidiaries now have presence in the all areas of the financial sector other than foreign exchange services.

CORPORATE STRUCTURE

The structure of Wholly Owned Subsidiaries and their nature of activities are as follows :-

PIONEER INVESTCORP LIMITED			
Infinity.Com Financial Securities Ltd. – Trading cum Clearing Member of NSE, BSE and Depository Participant-CDSL, Trading member of MCX-SX	Pioneer Wealth Management Services Ltd. – Registered Portfolio Manager	Pioneer Fundinvest Pvt. Ltd. Non Banking Finance Company	PINC Fund Advisors LLC- Asset Management Company (Mauritius)

Other Wholly Owned Subsidiaries are Pioneer Commodity Intermediaries Pvt. Ltd. – Trading and Clearing Member of NCDEX and MCX and Trading Member of ICEX, Pioneer Money Management Ltd.-Investment Company and Pioneer Investment Advisory Services Ltd. – Advisory and Consultancy.

OUTLOOK AND OPPORTUNITIES

The global financial market has shown a strong bias toward the emerging economies as they continue to expand. The Company believes that emerging markets such as India and China will continue to outperform the western economies. The Indian economy ended financial year 2009-10 on a positive note. With foreign institutional investors coming back to the Indian capital market, the Company expects its resilient business model to engender further momentum.

The Company had prioritized its goals to strengthen its presence in the Indian capital market. Primarily, it will continue to reinforce presence in investment banking, leveraging its strong relationship with companies and clients. Moreover, the Company will focus on gaining market share in its trading business, where, it believes, it has motivated, experienced, client-focused sales and trading professionals both in the Institutional segment and Wealth Management division. Also, the Company intends to build a strong brand by delivering excellent advice and execution for its equity advisory business.

The Company is confident that while sailing through turbulent times, it will move in scale and presence and it should be in a strong position to reap the benefits of changing scenario in the Indian economy and capital markets, which the Company foresees over the next couple of years. The Company believes it is competitively placed and well positioned to grab further opportunities in the capital market.

Consolidated Financials

(Rs. in lakhs)

Particulars	2009-10	2008-09
Total Income	6451.73	4524.95
Profit/(Loss) After Tax	1507.16	(1232.77)

RISKS AND CONCERNS

The financial and capital markets depend heavily on economic buoyancy. Although the Indian economy is strong with high visibility on the growth, the Company would be susceptible to the global economic cycles as all economies are globally becoming inextricably interlinked. Thus, any Global Economic slowdown has the potential to severely impair the working of the Company apart from domestic factors such as political uncertainty, tightening of liquidity, hardening of interest rates and rise in inflation.

The Company would also be affected if the stock markets were to decline sharply. Increased competition in the Indian capital market with entry of global players in financial intermediation also poses a concern; consequently, this could lead to diminishing investor confidence, resulting in lower business volumes.

INTERNAL CONTROL SYSTEMS

As remarked by the auditors in their report, the Company has an internal control system commensurate with the 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 improved financial market conditions in India, the Company's gross revenue increased 68% to Rs.3678.36 lakhs as against Rs.2184.78 lakhs in the previous year, resulting in increase in profit before tax of the Company by more than 30 times to Rs.1548.80 lakhs as against Rs.47.56 lakhs in the previous year. The consolidated statement includes various subsidiaries, including the overseas subsidiary in Mauritius and the broking operations of the subsidiary having membership of the BSE and NSE.

MATERIAL DEVELOPMENT AND HUMAN RESOURCES

During the year under review, the Company continued to make changes in the cost structure and focused on creativity and motivation of employees to increase efficiency and flexibility in operations.

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 shareholders and sharing of information transparently with 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 Mr. G. M. Gandhi, Managing Director represents the Promoters group and four Independent Non Executive Directors are 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 all non-executive Directors sitting fee of Rs.10,000/- after deducting TDS for each meeting of the Board or a Committee thereof attended by them.

c) Other provisions related to the Board and Committees

(i) Meetings and attendance record of each Director

During the year under report from 1 April, 2009 to 31 March, 2010, the Board of Directors held seven meetings on 25.05.2009, 30.06.2009, 29.07.2009, 03.09.2009, 23.10.2009, 26.10.2009, and 25.01.2010.

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

All the Directors were present in the last Annual General Meeting of the Company, except Mr. N. A. Rathod.

(ii) Number of Directorships

Mr. C. M. Maniar is a Director of 18 other companies, of which he is also a member of seven Board Committees. Mr. C. C. Dalal is a Director of 2 other companies and he is also a member of two Board Committees. Mr. G. M. Gandhi is a Director of 19 other companies and he is also a member of one Board Committee. Mr. N. A. Rathod is a Director of 44 other Companies and Mr. A. B. Desai is a Director of 1 other Company.

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

d) Code of Conduct

The Company has framed a Code of Conduct for the members of the Board 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 in Annexure of this report.

2. AUDIT COMMITTEE

The Audit Committee comprises Mr. C. C. Dalal, Mr. C. M. Maniar, and Mr. A. B. Desai, all non-executive Independent Directors and Mr. G. M. Gandhi, Managing Director. 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 the internal control system. Mr. C. C. Dalal, Chairman of the Committee, was present at all the four committee meetings, Mr. C. M. Maniar and Mr. A. B. Desai, independent Directors and members of the Audit Committee were present at three committee meetings and Mr. G. M. Gandhi was present at two committee meetings.

3. DISCLOSURES**a) Basis of Related Party Transactions**

There were related party transactions with related parties in the ordinary course of business as mentioned in Note no. 24 of Schedule 11 – Significant Accounting Policies & Notes to Accounts. 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.

c) Risk Management

The necessary risk assessment and minimization procedure has been followed by the Company as intermittently required.

d) Proceeds From Public Issues, Rights Issues, Preferential Issues etc.

During the year end under review, the Company has not allotted any shares via public, rights and preferential issues. However the proceeds of shares allotted on exercise of Stock Options by independent Directors and employees as well as employees of Company's wholly owned subsidiary were deployed for the working capital requirements.

e) Remuneration of Directors

(i) There are no pecuniary relationships or transactions 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 did not pay any remuneration to Mr. G. M. Gandhi, Managing Director.

(iii) (a) The Company granted 20,000 stock options under "Pioneer Investcorp Ltd. Employee Stock Option Scheme – 2006" to the Non executive independent Directors, details of which are as follows:

Sr. No.	Names of Non Executive Independent Director	Number of stock options Granted – ESOP 2006	Number of stock options exercised – ESOP 2006 (As on 31.03.2010)
1	C. C. Dalal	10,000	9,500
2	C. M. Maniar	10,000	9,500
3	Mr. A. B. Desai	Nil	Nil
4	Mr. N. A. Rathod	Nil	Nil
	Total	20,000	19,000

(b) Exercise Price for the aforesaid options granted was Rs.22.05 per option, which was discounted to 30% of the closing price of the shares of the Company at the Bombay Stock Exchange Limited as on 28 February, 2006, prior to 1 March, 2006, the day on which the options were granted;

(c) The Stock options granted in "Pioneer Investcorp Ltd. – Employee Stock Option Scheme – 2006" shall vest after one year from the date of granting of options as per the following schedule.

Dates of vesting of options	% of options granted available for exercising
01-03-2007	20%
01-03-2008	35%
01-03-2009	40%
01-03-2010	5%

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

Name of the Directors	Category of Director	No. of Shares held in the Company as at 31.03.2010.
Mr. C. M. Maniar	Independent– Non Executive	9800
Mr. C. C. Dalal	Independent– Non Executive	9500
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 separately in the Annual Report.

g) Shareholders information

(i) Reappointment of Director

Mr. C. M. Maniar and Mr. A. B. Desai, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, they offer themselves for reappointment.

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

Name of Directors	Shri Chaitan Maniar	Shri Anand Desai
Brief Resume	Chaitan Maniar is Director of the Company for more than 25 years. Mr. Maniar is a Solicitor and Advocate. He is presently a Senior Partner of the Firm. He is on the Board of various Companies.	Anand Desai is a qualified Chartered Accountant with immense and varied experience spanning 25 years. Anand is an Investment Banker by profession, prior to joining PINC Board he worked with J. M. Financial and Kotak Mahindra. At Kotak, he was responsible for kick-starting key initiatives as the first Head of the Investment Bank in India and later as the first CEO and area Director for Kotak Mahindra International, Middle East. He then moved on to the media and entertainment sector as Head of Corporate Development with Sony Entertainment Television. 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 corporates.
Nature of his expertise	He specializes in matters relating to corporate law, business laws, economic laws and laws relating to Industrial and Intellectual Property.	He specializes in Finance and Investment Banking.

Other Directorship	<p>Akzo Nobel Coatings India Private Limited</p> <p>Amsar Private Limited</p> <p>Chemtex Engineering of India Limited.</p> <p>Foods & Inns Limited.</p> <p>Godfrey Philips India Limited</p> <p>Gujarat Ambuja Export Limited</p> <p>HGC Foundation Private Limited</p> <p>Hindalco Industries Limited</p> <p>Indo- Euro Investments Company Limited</p> <p>Indian Card Clothing Company Limited</p> <p>Machine Tools (India) 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>Varun Shipping Company Limited</p> <p>Vadilal Industries Limited</p>	Multiconsult Private Limited
Other Committee Membership	<p>Hindalco Industries Limited (Audit, Shareholder Grievance & Share Transfer Committees.)</p> <p>Varun Shipping Company Ltd. (Audit & Shareholders Grievance Committees.)</p> <p>TCP Packaging Ltd. (Audit, Shareholder Grievance & Share Transfer Committees.)</p> <p>Godfrey Phillips India Ltd.(Shareholder Grievance & Share Transfer Committees.)</p>	Nil
Number of Shares held in the Company	9800	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 an English newspaper and a regional language newspaper where the registered office of the Company is situated; and uploaded on the company's website www.pincmoney.com

- (iii) The Shareholders / Investors Grievance Committee continued to function effectively during the year under review. It attended to matters related to Share Transfers and redressal of Shareholders' complaints. This Committee has three directors, Mr. C. M. Maniar, Mr. G. M. Gandhi and Mr. A. B. Desai. The complaints and grievances of shareholders if any received, were duly attended to by the Committee and no complaints are pending at present. To expedite the process of transfer, the Board of Directors has delegated the power of transfer to Mr. Gaurang Gandhi, Managing Director and also to Mr. Sanjay Kabra, Vice President – Finance jointly with Mr. Amit Chandra, Company Secretary. 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 CERTIFICATION

Certificate from Mr. G. M. Gandhi, Managing Director certified that all the relevant clauses as required under point V of Clause 49 of the Listing Agreement were 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
2006-2007	Thursday, 20th September 2007, at 11.30 a.m.	Kilachand Conference Room, 2nd floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai-400020
2007-2008	Thursday, 21st August, 2008, at 11.30 a.m.	
2008-2009	Thursday, 3rd September, 2009 at 11.30 a. m.	

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

Year	Matter
2006-2007	There was no transactions/business requiring Special Resolutions.
2007-2008	Mr. A. B. Desai and Mr. N. A. Rathod were appointed as Directors of the Company, liable to retire by rotation.
2008-2009	There was no transactions/business requiring Special Resolutions.

c) No Resolutions were passed during the year end 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 approved the same. The results were published in an english newspaper and a regional language newspaper where the registered office of the Company is situated; and uploaded on the Company's website www.pincmoney.com

8. GENERAL SHAREHOLDERS INFORMATION

a) The Annual General Meeting of the Company will be held on Wednesday, 11th August, 2010, 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, 2010)	Within 45 days from the end of quarter.
Financial Reporting for Quarter II - (ending September 30, 2010)	Within 45 days from the end of quarter.
Financial Reporting for Quarter III - (ending December 31, 2010)	Within 45 days from the end of quarter.
Financial Reporting for Quarter IV - (ending March 31, 2011)	Within 45 or 60 days from the end of quarter.

c) The dates of Book Closure are 7th August, 2010 to 11th August, 2010 (both date included);

d) Dividend @ 10% (i.e. Rs.1.00 per share) will be paid on or after 11th August, 2010, 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 Price High and Low of the Company on Bombay Stock Exchange Limited, for the Financial Year April, 2009 to March, 2010, were as follows;

Month	April 2009	May 2009	June 2009	July 2009	Aug. 2009	Sept. 2009	Oct. 2009	Nov. 2009	Dec. 2009	Jan. 2010	Feb. 2010	March 2010
High	36.85	53.90	72.05	73.90	51.80	63.40	66.55	44.75	45.85	65.65	55.90	54.35
Low	27.20	26.50	50.20	42.50	42.95	47.70	43.50	37.20	37.50	41.15	46.10	46.95

g) The address and telephone and fax numbers of the Registrar and Share Transfer Agent of the Company is 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. 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 of 31st March, 2010, is as follows:

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
A	Promoter's holding		
1	Promoters	6267196	51.24
Sub-Total (A)		6267196	51.24
B	Non-Promoters Holding		
1	Banks and Foreign Institutional Investors	598260	4.89
2	Others including Body Corporate	5364577	43.87
Sub-Total (B)		5962837	48.76
Total (A + B)		12230033	100.00

i) The distribution of Shareholding of Equity Shares as on 31st March, 2010, is as follows:

Sr. No.	No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage of Shareholding
1.	Less than 50	877	26742	0.22
2.	51 to 100	2163	213619	1.75
3.	101 to 500	1866	469242	3.84
4.	501 to 1000	287	228586	1.87
5.	1001 to 5000	234	504221	4.12
6.	5001 to 10000	42	308327	2.52
7.	10001 to 50000	51	963761	7.88
8.	50001 to 100000	15	1179011	9.64
9.	100001 to 500000	9	1603301	13.11
10.	500001 & above.	2	6733223	55.05
TOTAL		5546	12230033	100

j) As of 31st March, 2010, 77.27% of the Company's total Paid up Equity Shares were held in demat form with NSDL and CDSL;

k) The Company has paid listing fees for the Financial Year 2010-11 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 located at 1218, Maker Chamber V, Nariman Point, Mumbai – 400 021, Tel. No.: 022- 6618 6633 / 2202 1171, Fax no.:022 - 2204 9195; Email : investor.relations@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, 2010.

Mumbai
10th May, 2010.

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, 2010, the Company has complied with the requirements mentioned in the said sub clause.

Mumbai
10th May, 2010.

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, 2010 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

Nishit Dave
Partner
M.No.: 120073

Mumbai
10th May, 2010.

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, 2010 and also Profit and Loss Account 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 Profit and Loss Account 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 Profit and Loss Account 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 2010 and taken on record by the Board Directors, we report that none of the directors is disqualified as on 31st March 2010 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, 2010 ; and

(b) In case of the Profit and Loss account, 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

10th May 2010

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 Rs 390.39 lacs (previous year Rs 1027.15 lacs), to six of its wholly owned subsidiaries. At the year end, the loans granted to six subsidiaries aggregates to Rs 417.74 lacs (previous year Rs 1029.03 lacs). The Maximum balance outstanding during the year was Rs 2615.49 lacs (previous year 1634.69 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 its own name.
- (xv) As informed to us, the Company has given guarantee for loans taken by others 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

10th May 2010.

BALANCE SHEET AS AT 31ST MARCH, 2010.

SOURCES OF FUNDS	Schedule No.	(Rs.)	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Share Holders' Funds				
Share Capital	1	128,278,222		126,276,222
Application Money Received for Share Warrants		—		94,500,000
Reserves and Surplus	2	745,868,832		550,162,278
			<u>874,147,054</u>	<u>770,938,500</u>
Secured Loans	3		801,578,031	156,743,186
Deferred Tax Liability			15,580,625	11,191,886
			<u>1,691,305,710</u>	<u>938,873,572</u>
APPLICATION OF FUNDS				
Fixed Assets:	4			
Gross Block		171,241,936		145,302,588
Less: Depreciation		35,426,173		17,377,839
Net Block			<u>135,815,763</u>	<u>127,924,749</u>
Investments	5		394,687,474	387,687,474
Current Assets, Loans and Advances :	6			
Closing Stock		823,354,259		107,990,490
Sundry Debtors		266,364,638		110,714,679
Cash and Bank Balances		12,114,356		85,178,998
Loans and Advances		294,209,662		218,611,834
			<u>1,396,042,915</u>	<u>522,496,001</u>
Less: Current Liabilities and Provisions :	7			
Current Liabilities		123,714,641		27,418,729
Provisions		111,525,801		71,815,923
			<u>235,240,442</u>	<u>99,234,652</u>
Net Current Assets			<u>1,160,802,473</u>	<u>423,261,349</u>
			<u>1,691,305,710</u>	<u>938,873,572</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	11			

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

Nishit Dave
Partner
M.No. : 120073
Mumbai, 10th May 2010

A.B.Desai
Director

A.J.Chandra
Company Secretary

Mumbai, 10th May 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.

	Schedule No.	1st April, 2009 to 31st March, 2010 (Rs.)	1st April, 2008 to 31st March, 2009 (Rs.)
INCOME			
Income from Operations		365,981,538	5,356,712
Income from Investments		144,002	77,125,546
Other Income	8	1,710,854	135,996,056
Total Income		367,836,394	218,478,314
EXPENDITURE			
Employment Cost	9	59,235,698	83,824,499
Administration and other expenses	10	92,988,449	64,348,797
Interest		42,190,298	55,304,235
Depreciation		18,542,236	10,244,848
Total Expenditure		212,956,681	213,722,379
PROFIT BEFORE TAX		154,879,713	4,755,935
Provision for Taxation		(38,000,000)	(1,650,000)
Fringe Benefit Tax		—	(1,039,180)
Deferred Tax		(4,388,741)	(7,245,754)
Prior Period Item (net of tax expense)		—	(115,529,115)
Excess/(Short) Provision for Tax of earlier year		—	(3,024,728)
NET PROFIT/(LOSS) BEFORE APPROPRIATIONS		112,490,972	(123,732,842)
Balance brought forward from previous year		56,116,167	179,849,009
Less: Proposed Dividend		12,242,733	—
Less: Dividend Distribution Tax		2,033,518	—
Less: Transferred to General Reserve		30,000,000	—
BALANCE CARRIED TO BALANCE SHEET		124,330,888	56,116,167
Earning Per Share - (I) (See note 23) Basic/Diluted		9.27	(0.70)
Earning Per Share - (II) (See note 23) Basic/Diluted		9.27	(10.58)
Face Value of Share		10.00	10.00

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

11

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**Nishit Dave**

Partner

M.No. : 120073

Mumbai, 10th May 2010

A.B.Desai

Director

A.J.Chandra

Company Secretary

Mumbai, 10th May 2010

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010.

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Schedule 1		
SHARE CAPITAL		
Authorised		
25,000,000 Equity Shares of Rs.10/- each (previous year 25,000,000)	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid-up		
12,230,033 Equity Shares of Rs.10/- each (previous year 12,029,833)	<u>122,300,330</u>	<u>120,298,330</u>
Add :Amount paid up on Shares Forfeited	<u>5,977,892</u>	<u>5,977,892</u>
	<u>128,278,222</u>	<u>126,276,222</u>
Of the above: 200,200 equity shares of Rs 10/- each (previous Year 7,000) are allotted pursuant to ESOP Scheme' 2006		
Schedule 2		
RESERVES AND SURPLUS		
General Reserve	233,828,549	233,828,549
Add: Transferred from Profit & Loss Account	<u>30,000,000</u>	<u>—</u>
	263,828,549	233,828,549
Share Premium Account	108,881,550	104,577,250
Employees Stock Options (See note 9 and 19)		
Employees Stock options outstanding	1,897,324	4,673,970
Less: Deferred employee stock compensation	<u>—</u>	<u>1,464,179</u>
	1,897,324	3,209,791
Capital Reserve (See note 16)	127,447,500	32,947,500
Capital (Amalgamation) Reserve Account	119,483,021	119,483,021
Profit and Loss Account	<u>124,330,888</u>	<u>56,116,167</u>
	<u>745,868,832</u>	<u>550,162,278</u>
Schedule 3		
SECURED LOANS		
Term Loan-From Axis Bank Ltd. (Secured by first charge on mortgage of all moveable capital assets to Axis Bank Ltd.)	59,449,340	57,275,380
Term Loan-From ICICI Bank Ltd. (Secured by first charge on mortgage of a office premise)	8,813,769	9,463,126
Vehicle Loan -From ICICI Bank Ltd.	474,230	800,248
-From Kotak Mahindra Prime Ltd. (Secured against hypothecation of Vehicles)	1,510,265	—
Cash Credit-Axis Bank Ltd. (Secured against Securities and Bonds)	439,714,086	—
Cash Credit-Federal Bank Ltd. (Secured against Government Security Papers)	43,240,572	10,823,865
Cash Credit-Punjab National Bank. (Secured against Securities and Bonds)	243,875,769	78,380,567
Over Draft-Federal Bank Ltd. (Secured against Fixed Deposit)	4,500,000	—
	<u>801,578,031</u>	<u>156,743,186</u>

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010.**Schedule 4****FIXED ASSETS**

Particulars of Assets	Gross Block			Depreciation			Net Block		
	As at 01.04.2009 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	As on 31.03.2010 (Rs.)	Upto 01.04.2009 (Rs.)	For the year Adjustments (Rs.)	Upto 31.03.2010 (Rs.)	As on 31.03.2010 (Rs.)	As on 31.03.2009 (Rs.)
Office Premises	14,328,820	—	—	14,328,820	422,327	2,358,492	2,780,818	11,548,002	13,906,494
Leasehold Office Premises	7,304,228	9,422,339	—	16,726,567	1,151,190	1,122,037	2,273,227	14,453,340	6,153,038
Office Equipments	45,161,736	28,708,485	—	73,870,221	8,071,625	8,317,930	16,389,555	57,480,666	37,090,111
Furniture & Fixtures	25,178,640	11,455,594	—	36,634,234	3,544,110	2,201,497	5,745,607	30,888,627	21,634,530
Vehicles	4,376,567	2,246,302	1,076,783	5,546,086	2,241,463	272,786	2,020,347	3,525,739	2,135,104
Software	15,628,779	8,507,229	—	24,136,008	1,947,125	4,269,494	6,216,619	17,919,389	13,681,654
Capital Work In Progress	33,323,818	(33,323,818)	—	—	—	—	—	—	33,323,818
Total	145,302,588	27,016,131	1,076,783	171,241,936	17,377,840	18,542,236	35,426,173	135,815,763	127,924,749
Previous Year	124,388,752	65,933,538	45,019,702	145,302,588	21,866,007	10,244,848	17,377,839	127,924,749	59,120,795

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010.

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Schedule 5		
INVESTMENTS (Long Term, at cost)		
(A) Trade Investments in Subsidiary Companies (Unquoted)		
Infinity.Com Financial Securities Ltd. (18,500,000 fully paid Equity Shares (previous year 18,500,000) of Rs.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 Rs 100/- each)	21,498,040	21,498,040
Pioneer Commodity Intermediaries Pvt. Ltd. (1,600,000 fully paid Equity Shares (previous year 1,000,000) of Rs. 10/- each)	16,000,000	10,000,000
Pioneer Investment Advisory Services Ltd. (50,000 fully paid Equity Shares (previous year 50,000) of Rs. 10/- each)	500,000	500,000
Pioneer Money Management Ltd. (3,000,000 fully paid Equity Shares (previous year 3,000,000) of Rs. 10/- each)	30,000,000	30,000,000
Pioneer Wealth Management Services Ltd. (6,990,000 fully paid Equity Shares (previous year 6,990,000) of Rs. 10/- each)	69,900,000	69,900,000
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
Pioneer Fundinvest Pvt. Ltd. (21,000 fully paid Equity Shares (previous year 21,000) of Rs. 100/- each)	3,612,000	3,612,000
Total (A)	389,951,730	383,951,730
(B) Trade Investments in Associate Companies (Unquoted)		
Pioneer Insurance & Reinsurance Brokers Pvt Ltd. (250,000 fully paid Equity Shares (previous year 250,000) of Rs. 10/- each)	2,500,000	2,500,000
Total (B)	2,500,000	2,500,000
(C) Trade Investments in Other Companies		
Quoted		
Arihant Foundations & Housing Ltd. (2,645 fully paid Equity Shares (previous year 2,645) of Rs.10/- each) (Mkt Value as on 31st March 2010 is Rs 331,551 (previous year Rs.142,169))	1,235,744	1,235,744
Total (C)	1,235,744	1,235,744
(D) Investments in Mutual Funds		
Axis Equity Fund Growth. (100,000 units (previous year Nil) of Rs.10/- each (Mkt Value as on 31st March 2010 is Rs.1,039,000/- (previous year Rs.Nil))	1,000,000	—
Total (D)	1,000,000	—
Total Investments (A + B + C + D)	394,687,474	387,687,474

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010.

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Schedule 6		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
Closing Stock of Government Security Papers/Bonds* (See note 4 & 22) (at lower of cost or market value)	823,354,259	107,990,490
*(Government Securities Papers/Bonds are pledged with Secured Lenders)		
Sundry Debtors: **		
(Unsecured and considered good)		
Outstanding for more than six months	—	1,012,175
Other Debts	<u>266,364,638</u>	<u>109,702,504</u>
	266,364,638	110,714,679
** (Debtors includes Rs.2342.82 lacs (previous year Rs.Nil) on account of sale of Securities and Bonds)		
Cash and Bank Balances :		
Cash and Cheques on hand	47,526	35,913
Balances with Scheduled Banks:		
in Current Account	6,295,500	85,143,085
in Fixed Deposit Account***	5,500,000	—
Accrued interest on Fixed Deposits	<u>271,330</u>	<u>—</u>
	12,114,356	85,178,998
*** (of the above Rs. 50 Lacs FDR's are under lien with Federal Bank Ltd.)		
Loans and Advances :		
(Unsecured and considered good)		
Advances recoverable in cash or in kind for value to be received	53,289,664	119,202,002
Advance for Office Premises	115,511,075	—
Security Deposits	21,749,680	15,150,010
Advance Tax	<u>103,659,243</u>	<u>84,259,822</u>
	294,209,662	218,611,834
	<u>1,396,042,915</u>	<u>522,496,001</u>
Schedule 7		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities:		
Sundry Creditors*(Due to other than micro & small enterprises)	102,090,878	20,060,872
Advance from Client	5,000,000	5,000,000
Other Liabilities	1,649,048	1,649,048
Dividend Payable	12,242,733	—
Dividend Distribution Tax Payable	2,033,518	—
Unclaimed Dividends	698,464	708,809
*(Creditors includes Rs.856.67 lacs (previous year Rs.Nil) on account of purchase of Securities and Bonds)	<u>123,714,641</u>	<u>27,418,729</u>
Provisions:		
Provision for Taxation	104,003,461	66,003,461
Provision for Gratuity	5,258,327	3,548,449
Provision for Leave encashment on retirement	672,729	672,729
Provision for Fringe Benefit Tax	<u>1,591,284</u>	<u>1,591,284</u>
	111,525,801	71,815,923
	<u>235,240,442</u>	<u>99,234,652</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.

	1st April, 2009 to 31st March, 2010 (Rs.)	1st April, 2008 to 31st March, 2009 (Rs.)
Schedule 8		
OTHER INCOME		
Interest Income (Tax deducted at source Rs.50,211 (previous year Rs.132,195))	502,111	1,061,185
Commission	—	75,000
Rent	—	3,913,733
Miscellaneous Income	1,208,743	2,167,257
Dividend received	—	108,188,725
Profit on sale of Fixed Assets	—	20,590,156
	<u>1,710,854</u>	<u>135,996,056</u>
Schedule 9		
EMPLOYMENT COST		
Salaries and Bonus	54,666,586	80,464,347
Gratuity	1,709,878	549,960
Employees Stock Compensation Expense	579,423	109,650
Employer's Contribution to Provident Fund	1,220,255	1,553,488
Staff Welfare	1,059,556	1,147,054
	<u>59,235,698</u>	<u>83,824,499</u>
Schedule 10		
ADMINISTRATION AND OTHER EXPENSES		
Rent	27,660,300	20,444,908
Bank Commission and Charges	5,477,984	1,953,483
Business Promotion Expenses	4,313,468	1,175,112
Power and Fuel	2,392,204	2,384,768
Postage, Telex and Telephones	4,440,191	3,451,622
Printing and Stationery	379,733	498,667
Directors' Sitting Fees	300,000	330,000
Travelling and Conveyance	9,153,786	8,584,476
Motor Car Expenses	7,157,862	5,103,899
Legal and Professional Charges	16,816,794	7,038,966
Advance written off (refer note no.17)	4,600,000	—
Maintenance Expenses	2,587,820	3,843,788
Donation	1,140,000	435,000
Auditors' Remuneration:		
Audit Fees	300,000	300,000
Tax Audit Fees	50,000	50,000
Certification work	90,000	115,000
	<u>440,000</u>	<u>465,000</u>
Miscellaneous Expenses	6,128,307	8,639,109
	<u>92,988,449</u>	<u>64,348,797</u>

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2010.**Schedule 11****A. 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, in accordance with the Accounting Standard 2, "Inventory Valuations" issued by ICAI.

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.

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2010.**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

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2010.

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.

B. NOTES TO ACCOUNTS

16. The initial Application money of Rs 945.00 Lacs, received on 15 Lacs warrants issued in 2008-09, to the promoter of the Company, stands forfeited as per the terms and conditions of the issue, due to non-exercise of conversion option of the warrants, consequently the amount received on warrant application money has been transferred to capital reserve.

17. During the year, the company has written off an advance of Rs.4,600,000 being initial application money paid for the subscription of 1,000,000 warrants on preferential basis of Arihant Foundations & Housing Ltd. As the company has not exercised the conversion option for the warrants, with in the stipulated period, the said amount stands forfeited as per the terms of the issue.

18. Disclosure as per the clause 32 of the Listing Agreement.

Loans and Advances in the nature of advances given to Subsidiaries are given below. The previous year figures are shown in brackets.

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2010.

Name of the Company	Amount outstanding as on 31st March, 2010 (Rs.)	Maximum balance outstanding during the year (Rs.)	Investment in shares of the company No. of Shares
Pioneer Wealth Management Services Ltd.	524,808 (74,915)	586,058 (59,097,050)	6,990,000 (6,990,000)
Pioneer Money Management Ltd.	25,898 (Nil)	25,898 (1,384,215)	3,000,000 (3,000,000)
Pioneer Investment Advisory Services Ltd.	104,998 (80,000)	104,998 (84,535)	50,000 (50,000)
Pioneer Investcorp International Limited	Nil (Nil)	Nil (154,916)	Nil (Nil)
PINC Fund Advisors LLC	4,100,038 (2,580,059)	4,100,038 (2,580,059)	100,000 (100,000)
Infinity.com Financial Securities Ltd.	36,995,606 (100,168,466)	256,709,213 (100,168,466)	18,500,000 (18,500,000)
Pioneer Fund Invest Pvt. Ltd.	22,348 (Nil)	22,348 (Nil)	21,000 (21,000)

19. The Company, under its various ESOP Schemes, has granted in aggregate 2,506,500 options, as on 31st March, 2010 (previous year 2,506,500).

Employee Stock option Reserve outstanding at the beginning of the year amounting to Rs.4,673,970/- (previous year Rs.7,596,382/-) was reduced proportionately by Rs.1,891,890/- (previous year Rs.66,150/-) on account of Share issued on the exercise of stock options and by Rs.884,756/- (previous year Rs.2,856,262/-) on account of stock options forfeited/lapsed during the year.

The details of outstanding options are as under:

Particulars	Year Ended 31/03/2010		Year Ended 31/03/2009	
	ESOP 2007	ESOP 2006	ESOP 2007	ESOP 2006
Options in force at the beginning of the year	1,111,500	494,600	1,485,500	803,850
Add: Options granted during the year	Nil	Nil	Nil	Nil
Less: Options forfeited/lapsed	335,000	93,625	374,000	302,250
Less: Options Exercised during the year	Nil	200,200	Nil	7,000
Options in force at the end of the year	776,500	200,775	1,111,500	494,600
Vested Options outstanding-opening	389,025	463,250	Nil	368,700
Add: Options vested during the year	389,025	31,350	519,925	386,800
Less: Options Exercised during the year	Nil	200,200	Nil	7,000
Less: Vested Options Lapsed	117,250	93,625	130,900	285,250
Vested Options outstanding-closing	660,800	200,775	389,025	463,250

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2010.

	Year Ended 31/03/2010 (Rs.)	Year Ended 31/03/2009 (Rs.)
20. Contingent Liabilities on account of: Counter guarantees given to banks	200,000,000	—
21. Details of Foreign Currency transactions		
Income Earned in Foreign Currency		
Other Income#	—	109,717,169
Expenses Incurred in Foreign Currency		
Traveling Expenses	378,038	261,317
#Other Income includes dividend received from subsidiary of Rs.Nil (Previous Year Rs.107,605,500/-)		
22. Details of Government Securities/Bonds transactions during the year are as follows:		
	Year Ended 31/03/2010 (Rs.)	Year Ended 31/03/2009 (Rs.)
Sale of Securities	34,953,063,201	8,722,447,366
Add: Closing Stock at Market Value	823,354,259	107,990,490
Less: Purchase of Securities	35,438,235,686	8,504,380,244
Less: Opening Stock	107,990,490	300,254,670
Profit from trading in Government Securities/Bonds	230,191,284	25,802,942
23. Earning per Share		
Profit/(Loss) after tax before prior period item as per Profit & Loss Account (A) (Rs.)	112,490,972	(8,203,727)
Profit/(Loss) after tax as per Profit & Loss Account (B) (Rs.)	112,490,972	(123,732,842)
Weighted Average Number of Equity Share used in Computing Basic/diluted earnings per Share (C) (No. of Shares)	12,134,145	11,690,710
I Earning Per Share (Rs.) Basic/Diluted - (A/C)	9.27	(0.70)
II Earning Per Share (Rs.) Basic/Diluted - (B/C)	9.27	(10.58)

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2010.**24. Related Party Disclosures****Category I : Key Management Personnel**

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

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 Fund Invest Pvt. Ltd.

Category - III - Other related Companies/Companies under same group

- 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) PINC Energy Resources Pvt. Ltd.
- 8) L.Gordhandas & Co. Clearing Agent Pvt. Ltd.

Details of related party transaction carried out during the year ended 31st March, 2010

Nature of Transactions ((Received)/Paid)	(Amount in Rs.)	
	2009-2010	2008-2009
Details of transactions with key management personnels (referred as category-I)		
Share Capital	Nil	(3,700,000)
Share Premium	Nil	(38,850,000)
Remuneration	3,299,928	5,099,964

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2010.

	(Amount in Rs.)	
	2009-2010	2008-2009
Details of transactions with subsidiary companies (referred as category-II)		
Purchase of Investments	6,000,000	63,900,000
Sale of Investments	Nil	(58,574,915)
Loans & Advances	39,038,722	101,322,831
Sale of Government Securities	(125,437,225)	Nil
Brokerage on Purchase/Sale of Securities	51,798	Nil
Collateral Guarantees given	200,000,000	Nil
Closing balances ((Cr)/Dr)	41,773,695	102,903,440
Details of transactions with other companies (referred as category-III)		
Commission on account of Bank Guarantees	Nil	(75,000)
Repairs of Motor Cars	Nil	165,861

25. The Company has made provision for following benefit plans as per Accounting Standard 15 (Revised 2005) " Employee Benefits".

	Gratuity (In Rs.)	
	Valuation Date 31st March 2010	Valuation Date 31st March 2009
I Assumptions		
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount Rate	8.00%	8.00%
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	3,548,449	3,318,198
Interest Cost	283,876	252,667
Current Service Cost	1,507,870	1,070,778
Benefits Paid	—	(319,709)
Actuarial gain/(loss) on obligation	(81,868)	(773,485)
PVO at end of period	5,258,327	3,548,449
III Changes in Fair value of plan Assets		
Fair Value of plan assets at beginning of Period	—	—
Expected return on plan assets	—	—
Contributions	—	319,709
Benefits Paid	—	(319,709)
Actuarial gain/(loss) on plan assets	—	—
Fair Value of plan assets at end of Period	—	—

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2010.

	Valuation Date 31st March 2010	(In Rs.) Valuation Date 31st March 2009
IV Fair Value of plan Assets		
Fair Value of plan assets at beginning of Period	—	—
Actual return on plan assets	—	—
Contributions	—	319,709
Benefits Paid	—	(319,709)
Fair Value of plan assets at end of Period	—	—
Funded Status	(5,258,327)	(3,548,449)
Excess of Actual Over Estimated return On plan Assets	—	—
V Actuarial (Gain/Loss) Recognized		
Actual Gain/Loss for the period (Obligation)	81,868	773,485
Actual Gain/Loss for the period (Plan Assets)	—	—
Total Gain/Loss for the period	81,868	773,485
Actuarial (Gain/Loss) Recognized for the period	81,868	773,485
Unrecognized Actuarial (Gain/Loss) at end of period	—	—
VI Amount to be recognized in the balance sheet and statement of profit & loss Account		
PVO at end of period	5,258,327	3,548,449
Fair Value of plan assets at end of Period	—	—
Funded Status	(5,258,327)	(3,548,449)
Unrecognized Actuarial Gain/Loss	—	—
Net Asset/ Liability Recognized in the Balance Sheet	(5,258,327)	(3,548,449)
VII Expenses Recognized in the Statement of Profit & Loss A/c		
Current Service Cost	1,507,870	1,070,778
Interest Cost	283,876	252,667
Expected Return on Plan Assets	—	—
Net Actuarial Gain/(Loss) Recognized for the period	(81,868)	(773,485)
Expense Recognized in the statement of Profit & Loss A/c	1,709,878	549,960
VIII Movements in the Liability Recognized in Balance Sheet		
Opening Net Liability	3,548,449	3,318,198
Expenses as Above	1,709,878	549,960
Contribution Paid	—	(319,709)
Closing Net Liability	5,258,327	3,548,449

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2010.

26. Disclosure of Business Segment in accordance with AS-17 "Segment Reporting" issued by ICAI.

	Fee Income	Income From Securities	Total As on 31.03.2010
	(Rs.)	(Rs.)	(Rs.)
Segment Revenue	135,349,758	230,775,782	366,125,540
	<i>130,564,895</i>	<i>(48,082,637)</i>	<i>82,482,258</i>
Add: Unallocated Revenue	—	—	1,710,854
	—	—	<i>135,996,056</i>
Total Revenue	135,349,758	230,775,782	367,836,394
	<i>130,564,895</i>	<i>(48,082,637)</i>	<i>218,478,314</i>
Segment Result before Tax	68,528,714	162,999,782	231,528,496
	<i>44,002,949</i>	<i>(114,714,632)</i>	<i>(80,956,531)</i>
Add: Unallocated Income/(Expenses)(net)	—	—	(76,648,782)
	—	—	<i>75,467,618</i>
Profit before Tax	—	—	154,879,713
	—	—	<i>4,755,935</i>
Interest and Finance Charges	—	—	—
	—	—	—
Provision for Tax	—	—	(42,388,741)
	—	—	<i>(9,934,934)</i>
Prior Period Adjustment	—	—	—
	—	—	<i>(115,529,115)</i>
Provision for Tax for earlier years	—	—	—
	—	—	<i>(3,024,728)</i>
Net Profit	—	—	112,490,972
	—	—	<i>(123,732,842)</i>
Segment Assets	32,082,922	1,452,323,449	1,484,406,371
	<i>104,114,680</i>	<i>502,277,964</i>	<i>868,669,405</i>
Add:Unallocated Assets	—	—	442,139,780
	—	—	<i>431,715,581</i>
Total Assets	—	—	1,926,546,151
	—	—	<i>1,038,108,225</i>
Segment Liabilities	5,000,000	816,997,911	821,997,911
	<i>5,000,000</i>	<i>89,204,431</i>	<i>183,453,106</i>
Add:Unallocated Liabilities	—	—	230,433,465
	—	—	<i>172,965,292</i>
Total liabilities	—	—	1,052,431,376
	—	—	<i>267,169,724</i>
Capital Expenditure	—	—	27,016,131
	—	—	<i>65,933,538</i>
Depreciation	—	—	—
	—	—	—
Unallocated Depreciation	—	—	18,542,235
	—	—	<i>10,244,848</i>
Total Depreciation	—	—	18,542,235
	—	—	<i>10,244,848</i>

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2010.

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.

27. In accordance with the Accounting Standard 22 "Accounting for taxes on income" (AS 22) issued by the ICAI, the Company has accounted for deferred taxes during the year. Following are the major components of deferred tax (assets)/liabilities

		Year Ended 31/03/2010 (Rs.)	Year Ended 31/03/2009 (Rs.)
Deferred Tax Liability			
On account of Depreciation difference	(1)	17,746,604	12,776,676
Deferred Tax Asset			
On account of 43B disallowances	(2)	2,165,977	1,584,790
Net Deferred Tax Liability/(Asset)	(1 - 2)	15,580,627	11,191,886

28. Provision for Income tax has been made in the accounts as per the provisions of the Income tax Act, 1961.
29. There are no dues outstanding to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act.
30. 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.
31. The figures of the previous year are regrouped or reclassified, wherever necessary, to make them comparable with the figures of current year.

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2010.

32. Additional Information pursuant to Provisions of Part IV of Schedule VI of the Companies Act, 1956.

I. Registration Details

Registration No.	:	L65990MH1984PLC031909
State Code	:	11
Balance Sheet Date	:	31st March, 2010

Rs. in Thousands

II. Capital Raised during the year

Public Issue	:	—
Rights Issue	:	—
Bonus Issue	:	—
Private Placement	:	—

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	:	1,691,306
Total Assets	:	1,691,306

Sources of funds

Paid up Capital	:	128,278
Reserves & Surplus	:	745,869
Secured Loans	:	801,578
Deferred Tax Liability	:	15,581

Application of Funds

Net Fixed Assets	:	135,816
Investments	:	394,687
Net Current Assets	:	1,160,802

IV. Performance of the Company

Total Income	:	367,836
Total Expenditure	:	212,957
Profit Before Tax	:	154,880
Profit After Tax	:	112,491
Earnings Per Share (Rs.)	:	9.27
Dividend Rate (%)	:	10

V. Generic Names of Principal Products/Services of the Company (as per monetary terms)

Item Code No.	:	Not Applicable
Product Description	:	Merchant Banking and those related to securities market

Signature to Schedule 1 to 11
For Jayesh Dadia & Associates

Firm Reg. No. 121142W

Chartered Accountants

G.M.Gandhi
Managing Director

C.C.Dalal
Director

Nishit Dave

Partner

M.No. : 120073

Mumbai, 10th May 2010

A.B.Desai
Director

A.J.Chandra
Company Secretary

Mumbai, 10th May 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010.

	2009 - 2010 (Rs.)	2008 - 2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	154,879,713	4,755,935
Adjustment for :		
Depreciation & Obsolescence	18,542,236	10,244,848
Prior Period item	—	(115,529,115)
Employee Stock Compensation Expense	579,423	109,650
Profit on Sale of Investments	(144,002)	(77,125,546)
(Profit)/Loss on Sale of Fixed Assets	432,882	(20,590,156)
Interest / Dividend	(502,111)	(109,249,910)
	<u>18,908,428</u>	<u>(312,140,229)</u>
Operating Profit before working capital changes	173,788,141	(307,384,295)
Adjustment for :		
Trade and other receivables	(927,212,139)	502,801,681
Trade and other payables	98,005,790	(226,629,831)
	<u>(829,206,349)</u>	<u>276,171,849</u>
Direct taxes paid	(19,399,421)	25,922,611
Net cash from Operating Activities	(674,817,629)	(5,289,835)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(27,016,131)	(65,933,538)
Sale of Fixed Assets	150,000	50,876,842
Sale of Investment	170,144,002	417,104,018
Purchase of Investment	(177,000,000)	(78,900,000)
Interest/Dividend received	502,111	109,249,910
Net Cash used in Investing Activities	(33,220,018)	432,397,232
C. CASH FLOW FROM FINANCING ACTIVITIES		
Car loans taken	1,184,247	800,248
Term loans repaid	(649,357)	30,307,075
Cash Credit taken	642,125,995	(195,088,797)
Term loans taken	2,173,960	—
Loans taken from Financial Institutions	—	(219,853,752)
Dividend	(12,242,733)	—
Dividend Distribution Tax	(2,033,518)	—
Share Warrant Application Money	(94,500,000)	(37,202,500)
Capital reserve	94,500,000	32,947,500
Share Premium	4,304,300	39,000,500
Employee Stock Option Reserve Reversal on issue	(1,891,890)	(66,150)
Share Capital Suspense Account	—	(10,863,330)
Share Capital Issued	2,002,000	14,633,330
Net Cash used in Financing Activities	634,973,004	(345,385,875)
Net Increase in cash and cash equivalents	(73,064,643)	81,721,522
Cash and cash equivalents at beginning of the year	85,178,998	3,457,476
Cash and cash equivalents at end of the year	12,114,356	85,178,998

G.M.Gandhi
Managing Director

C.C.Dalal
Director

A.B.Desai
Director

A.J.Chandra
Company Secretary

Mumbai, 10th May, 2010

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Pioneer Investcorp Limited for the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreements of the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss account and the Balance Sheet of the Company covered by our report of even date to the members of the Company.

For JAYESH DADIA & ASSOCIATES

Firm Reg. No. 121142W
Chartered Accountants

Nishit Dave
Partner

M. No.: 120073
Mumbai, 10th May, 2010

DETAILS OF SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 (8) 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)		Pioneer Fundinvest Pvt. Limited	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
Share Capital	245,000,000	245,000,000	69,900,000	69,900,000	30,000,000	30,000,000	500,000	500,000	16,000,000	10,000,000	3,939,730	3,939,730	2,100,000	2,100,000
Reserves & Surplus	125,820,095	89,583,984	2,690,233	(429,746)	(276,413)	(234,907)	(48,079)	(46,534)	(2,754,683)	(2,056,820)	(3,866,555)	(2,550,854)	697,682	580,379
Total Assets	691,051,369	592,058,098	75,522,931	69,706,494	29,800,563	29,803,171	607,997	571,544	13,337,326	7,958,129	4,250,919	4,088,680	2,951,660	2,747,816
Total Liabilities	320,231,274	257,474,114	2,932,698	236,239	76,976	38,078	156,076	118,078	92,009	14,949	4,031,571	3,298,108	153,978	67,437
Investments	—	—	58,574,915	58,574,915	—	—	—	—	—	—	40	40	—	—
Revenue	271,008,877	233,024,899	5,929,964	624,089	41,772	42,737	41,772	42,737	105,303	101,008	—	—	208,915	182,275
Profit/(Loss) before Taxation	56,412,378	4,083,052	4,791,786	(64,867)	(28,506)	(37,155)	11,455	205	(373,008)	(244,239)	(507,665)	(603,329)	182,303	135,936
Provision for Taxation	20,176,269	3,434,955	1,671,806	(53,619)	13,000	13,000	13,000	13,000	324,855	(648,811)	—	—	65,000	55,000
Profit/(Loss) After Tax	36,236,109	648,097	3,119,980	(11,248)	(41,506)	(50,155)	(1,545)	(12,795)	(697,863)	404,572	(507,665)	(603,329)	117,303	80,936

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

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
2	Financial Year of the Subsidiary ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
3	Date from which they became Subsidiary Companies	31.03.2007	25.04.2006	25.04.2006	08.05.2006	21.11.2006	25.05.2007	31.03.2008
4	Holding Company's interest No. of Equity Shares	18,500,000 Equity shares of face value of Rs.10 each fully paid up and 6,00,000 Redeemable Preference shares of face value of Rs.100 each fully paid up	6,990,000 Equity shares of face value of Rs.10 each fully paid up	3,000,000 Equity shares of face value of Rs.10 each fully paid up	50,000 Equity shares of face value of Rs.10 each fully paid up	1,600,000 Equity shares of face value of Rs.10 each fully paid up	100,000 Ordinary shares of face value of USD1 each fully paid up	21,000 Equity shares of face value of Rs.100 each fully paid up
-	Extent of Holding	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
(a) Not dealt with in the Holding Company's Accounts							
i) For the Financial Year ended 31.03.10 (Rs)	36,236,109	3,119,980	(41,506)	(1,545)	(697,863)	(507,665)	117,303
ii) For the Financial Year ended 31.03.09 (Rs)	648,097	(11,248)	(50,155)	(12,795)	404,572	(603,329)	80,936
(b) Dealt with in the Holding Company's Accounts							
i) For the Financial Year ended 31.03.10	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) For the Financial Year ended 31.03.09	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, 2010 and also Consolidated Profit and Loss Account 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 subsidiary reflect total assets of Rs. 42,50,919 (previous year Rs 40,88,680) as at 31st March 2010 and total revenues of Rs Nil (previous year Rs Nil) for the year ended 31st March 2010.
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, 2010; and
 - (b) In case of the Consolidated Profit and Loss account, 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, 10th May 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010.

SOURCES OF FUNDS	Schedule No.	(Rs.)	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Share Capital	1	128,278,222		126,276,222
Application Money Received for Share Warrants		—		94,500,000
Reserves and Surplus	2	845,619,100		612,495,766
			973,897,322	833,271,988
Secured Loans	3		940,877,682	159,810,946
Deferred Tax Liability			11,632,426	7,769,581
			<u>1,926,407,430</u>	<u>1,000,852,515</u>
APPLICATION OF FUNDS				
Fixed Assets:	4			
Gross Block		180,482,267		156,384,575
Less: Depreciation		40,607,837		21,915,193
Net Block			139,874,430	134,469,382
Investments	5		63,310,699	62,310,699
Current Assets, Loans and Advances :	6			
Closing Stock		823,354,259		107,990,490
Sundry Debtors		733,678,344		249,016,920
Cash and Bank Balances		164,725,962		303,929,594
Loans and Advances		378,245,085		391,799,266
			<u>2,100,003,650</u>	<u>1,052,736,270</u>
Less: Current Liabilities and Provisions :	7			
Current Liabilities		218,741,653		149,111,432
Provisions		158,246,202		99,800,723
			<u>376,987,855</u>	<u>248,912,154</u>
Net Current Assets			1,723,015,795	803,824,115
Miscellaneous Expenses				
Preliminary Expenditure (to the extent not written off)			81,256	161,209
Deferred Expenditure (to the extent not written off)			125,250	87,110
			<u>1,926,407,430</u>	<u>1,000,852,515</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	12			

As per our report of even date attached

For Jayesh Dadia & Associates

Firm Reg. No. 121142W

Chartered Accountants

G.M.Gandhi
Managing Director

C.C.Dalal
Director

Nishit Dave

Partner

M. No.: 120073

Mumbai, 10th May 2010

A.B.Desai
Director

A.J.Chandra
Company Secretary

Mumbai, 10th May 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.

	Schedule No.	1st April, 2009 to 31st March, 2010 (Rs.)	1st April, 2008 to 31st March, 2009 (Rs.)
INCOME			
Income from Operations	8	636,203,211	228,625,834
Income from Investments		144,002	77,125,546
Other Income	9	8,825,784	146,743,692
Total Income		<u>645,172,997</u>	<u>452,495,072</u>
EXPENDITURE			
Employment Cost	10	194,697,320	248,355,104
Administration and other expenses	11	170,777,497	128,025,746
Interest		44,071,638	56,076,739
Depreciation		20,258,085	12,011,943
Total Expenditure		<u>429,804,540</u>	<u>444,469,532</u>
PROFIT BEFORE TAX		215,368,457	8,025,540
Provision for Taxation		(59,541,000)	(3,131,000)
Fringe Benefit Tax		—	(2,569,180)
Deferred Tax		(3,862,844)	(6,691,659)
Prior Period Item (net of tax expense)		—	(115,529,115)
Excess/(Short) Provision for Tax of earlier year		(1,248,827)	(3,381,348)
PROFIT/(LOSS) AFTER TAX		150,715,786	(123,276,762)
Balance brought forward from previous year		109,847,046	334,382,137
Less: Adjustment on account of Pioneer Investcorp International Ltd.(the company voluntary wind up)		—	101,258,329
NET PROFIT BEFORE APPROPRIATIONS		260,562,832	109,847,046
Less: Proposed Dividend		12,242,733	—
Less: Dividend Distribution Tax		2,033,518	—
Less: Transferred to General Reserve		30,000,000	—
BALANCE CARRIED TO BALANCE SHEET		<u>216,286,581</u>	<u>109,847,046</u>
Earning Per Share - (I) (See note 19)			
Basic/ Diluted		12.42	(0.66)
Earning Per Share - (II) (See note 19)			
Basic/Diluted		12.42	(10.54)
Face Value of Share		10.00	10.00

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

12

As per our report of even date attached

For Jayesh Dadia & Associates

Firm Reg. No. 121142W

Chartered Accountants

G.M.Gandhi
Managing Director

C.C.Dalal
Director

Nishit Dave

Partner

M. No.: 120073

Mumbai, 10th May 2010

A.B.Desai
Director

A.J.Chandra
Company Secretary

Mumbai, 10th May 2010

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010.

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Schedule 1		
SHARE CAPITAL		
Authorised		
25,000,000 Equity Shares of Rs.10/- each (previous year 25,000,000)	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid-up		
12,230,033 Equity Shares of Rs.10/- each (previous year 12,029,833)	<u>122,300,330</u>	<u>120,298,330</u>
Add :Amount paid up on Shares Forfeited	<u>5,977,892</u>	<u>5,977,892</u>
	<u>128,278,222</u>	<u>126,276,222</u>
Of the above: 200,200 Equity Shares of Rs.10/- each (Previous Year 7,000) are allotted pursuant to ESOP Scheme' 2006		
Schedule 2		
RESERVES AND SURPLUS		
General Reserve	233,828,549	233,828,549
Add: Transferred from Profit & Loss Account	<u>30,000,000</u>	<u>—</u>
	263,828,549	233,828,549
Share Premium Account	108,881,550	104,577,250
Employees Stock Options		
Employees Stock options outstanding	1,897,324	4,673,970
Less: Deferred employee stock compensation	<u>—</u>	<u>1,464,179</u>
	1,897,324	3,209,791
Capital Reserve*	135,132,166	40,632,166
Capital (Amalgamation) Reserve Account	119,483,021	119,483,021
Foreign Exchange Currency Translation Reserve Account	109,909	917,943
Profit and Loss Account	<u>216,286,581</u>	<u>109,847,046</u>
	<u>845,619,100</u>	<u>612,495,766</u>
* Capital Reserve includes Rs.94,500,000 (Previous Year Rs 32,947,500) on account of forfeiture of Share Warrants application money received from Promoters due to non exercise of its conversion option into Equity Shares within the prescribed time limit.		
Schedule 3		
SECURED LOANS		
Term Loan-From Axis Bank Ltd. (Secured by first charge on mortgage of all moveable capital assets to Axis Bank Ltd.)	59,449,340	57,275,381
Term Loan-From ICICI Bank Ltd. (Secured by first charge on mortgage of a office premise)	8,813,769	9,463,126
Vehicle Loan -From ICICI Bank Ltd.	474,230	3,868,007
-From Kotak Mahindra Prime Ltd.	1,510,265	—
-From Axis Bank Ltd.	1,498,999	—
(Secured against hypothecation of Vehicles)		
Cash Credit-Axis Bank Ltd. (Secured against Securities and Bonds)	439,714,086	—
Cash Credit-Axis Bank Ltd. (Secured by first charge on hypothecation of receivables)	137,800,652	—
Cash Credit-Federal Bank Ltd. (Secured against Government Security Papers)	43,240,572	10,823,865
Cash Credit-Punjab National Bank. (Secured against Securities and Bonds)	243,875,769	78,380,567
Over Draft-Federal Bank Ltd. (Secured against Fixed Deposit)	4,500,000	—
	<u>940,877,682</u>	<u>159,810,946</u>

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010.

Schedule 4

FIXED ASSETS

Particulars of Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2009 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	As on 31.03.2010 (Rs.)	Upto 01.04.2009 (Rs.)	For the year (Rs.)	Deductions/ Adjustments (Rs.)	Upto 31.03.2010 (Rs.)	As on 31.03.2010 (Rs.)	As on 31.03.2009 (Rs.)
Office Premises	14,328,820	—	—	14,328,820	422,327	2,358,492	—	2,780,818	11,548,002	13,906,493
Leasehold Office Premises	7,304,228	9,422,339	—	16,726,567	1,151,190	1,122,037	—	2,273,227	14,453,340	6,153,038
Office Equipments	49,156,905	28,748,577	—	77,905,482	10,220,848	8,750,638	—	18,971,486	58,933,996	38,936,057
Furniture & Fixtures	25,458,455	11,455,594	—	36,914,049	3,716,245	2,220,987	—	5,937,232	30,976,817	21,742,210
Vehicles	8,606,411	2,246,302	3,133,531	7,719,182	3,347,003	869,940	1,565,440	2,651,502	5,067,680	5,259,408
Software	17,245,207	8,682,229	—	25,927,436	2,390,913	4,641,928	—	7,032,841	18,894,595	14,854,294
License Fees	960,731	—	—	960,731	666,668	294,063	—	960,731	—	294,063
Capital Work In Progress	33,323,818	(33,323,818)	—	—	—	—	—	—	—	33,323,818
Total	156,384,575	27,231,223	3,133,531	180,482,267	21,915,194	20,258,065	1,565,440	40,607,837	139,874,430	134,469,381
Previous Year	131,880,853	69,523,424	45,019,702	156,384,575	24,636,266	12,011,943	14,733,016	21,915,193	134,469,382	107,244,587

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010.

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Schedule 5		
INVESTMENTS (Long Term, at cost)		
(A) Trade Investments in Associate Companies (Unquoted)		
Pioneer Insurance & Reinsurance Brokers Pvt Ltd. (250,000 fully paid Equity Shares (previous year 250,000) of Rs.10/- each)	2,500,000	2,500,000
PINC India Opportunities Fund (incorporated in Mauritius) (1.01 fully paid Ordinary share of USD 1 Each)	40	40
Total (A)	<u>2,500,040</u>	<u>2,500,040</u>
(B) Trade Investments in Other Companies		
Quoted		
Arihant Foundations & Housing Ltd. (2,645 fully paid Equity Shares (previous year 2,645) of Rs.10/- each) (Mkt Value as on 31st March 2010 is Rs.331,551 (previous year Rs.142,169))	1,235,744	1,235,744
Unquoted		
Bill Forge Pvt Ltd. (3,300 fully paid Equity Shares (previous year 3,300) of Rs.10/- each)	16,516,500	16,516,500
Sansera Engineering Pvt. Ltd (265 fully paid Equity Shares (previous year 265) of Rs.100/- each)	42,058,415	42,058,415
Total (B)	<u>59,810,659</u>	<u>59,810,659</u>
(C) Investments in Mutual Funds		
Axis Equity Fund Growth. (100,000 units (previous year Nil) of Rs.10/- each (Mkt Value as on 31st March 2010 is Rs.1,039,000(previous year Rs.Nil))	1,000,000	—
Total (C)	<u>1,000,000</u>	<u>—</u>
Total Investments (A + B + C)	<u><u>63,310,699</u></u>	<u><u>62,310,699</u></u>

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010.

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Schedule 6		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
Closing Stock of Government Security Papers/Bonds* (at lower of cost or market value)	823,354,259	107,990,490
*(Government Securities Papers/Bonds are pledged with Secured Lenders)		
Sundry Debtors: ** (Unsecured and considered good)		
Outstanding for more than six months	3,598,041	6,525,864
Other Debts	730,080,303	242,491,056
	733,678,344	249,016,920
** (Debtors includes Rs 6,013.86 Lacs (previous year Rs Nil) on account of sale of Securities and Bonds)		
Cash and Bank Balances :		
Cash and Cheques on hand	1,021,326	784,086
Balances with Scheduled Banks:		
in Current Account	70,912,729	239,670,035
in Fixed Deposit Account***	88,393,913	60,565,015
Accrued interest on Fixed Deposits	4,397,994	2,910,458
	164,725,962	303,929,594
*** Fixed Deposit amounting to Rs.50 Lacs are under lien with Federal Bank Ltd. and Rs.666.88 Lacs (previous year Rs.460 Lacs), are under lien with Axis Bank Ltd. towards Bank Guarantee Exposures		
Loans and Advances : (Unsecured and considered good)		
Advances recoverable in cash or in kind for value to be received	62,210,007	158,968,211
Advance for Office Premises	115,511,075	—
Security Deposits	58,902,480	112,590,309
Service Tax	229,291	350,057
Fringe Benefit Tax	3,358,248	1,830,520
Advance Tax	138,033,984	118,060,169
	378,245,085	391,799,266
	2,100,003,650	1,052,736,270
Schedule 7		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities:		
Sundry Creditors*(Due to other than micro and small enterprises)	197,117,890	127,827,002
Advance from Client	5,000,000	5,000,000
Other Liabilities	1,649,048	15,575,621
Dividend Payable	12,242,733	—
Dividend Distribution Tax Payable	2,033,518	—
Unclaimed Dividends	698,464	708,809
* (Creditors includes Rs 856.67 lacs (previous year Rs Nil) on account of purchase of Securities and Bonds)	218,741,653	149,111,432
Provisions:		
Provision for Taxation	137,168,437	81,627,437
Provision for Gratuity	15,633,752	12,729,273
Provision for Leave encashment on retirement	672,729	672,729
Provision for Fringe Benefit Tax	4,771,284	4,771,284
	158,246,202	99,800,723
	376,987,855	248,912,154

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.

	1st April, 2009 to 31st March, 2010 (Rs.)	1st April, 2008 to 31st March, 2009 (Rs.)
Schedule 8		
INCOME FROM OPERATIONS		
Income from Syndication Services/Securities	515,353,757	146,400,171
Income from Portfolio Management Services	5,534,162	284,122
Income from Brokerage and Depository Services	<u>115,315,292</u>	<u>81,941,541</u>
	<u>636,203,211</u>	<u>228,625,834</u>
Schedule 9		
OTHER INCOME		
Interest Income	6,877,036	11,488,459
Commission	—	75,000
Rent	—	3,913,733
Miscellaneous Income	1,572,707	2,487,619
Dividend received	61,250	108,188,725
Profit on sale of Fixed Assets	<u>314,791</u>	<u>20,590,156</u>
	<u>8,825,784</u>	<u>146,743,692</u>
Schedule 10		
EMPLOYMENT COST		
Salaries and Bonus	182,453,700	238,548,727
Gratuity	4,603,755	1,113,545
Employees Stock Compensation Expense	579,423	109,650
Employer's Contribution to Provident Fund	1,220,255	1,553,488
Staff Welfare	<u>5,840,187</u>	<u>7,029,694</u>
	<u>194,697,320</u>	<u>248,355,104</u>

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.

	1st April, 2009 to 31st March, 2010 (Rs.)	1st April, 2008 to 31st March, 2009 (Rs.)
Schedule 11		
ADMINISTRATION AND OTHER EXPENSES		
Rent, Rates and Taxes	42,774,925	31,602,030
Power and Fuel	3,650,249	3,212,102
Bank Commission and Charges	9,586,746	4,153,796
Business Promotion Expenses	7,688,412	3,413,880
Computer and Software Expenses	1,395,638	1,158,127
Membership and Subscription	6,535,035	5,471,223
Repairs & Maintenance	2,739,673	4,106,940
Office Expenses	3,242,639	2,985,402
Postage, Telex and Telephones	11,717,614	8,574,545
Printing and Stationery	2,539,985	2,568,838
Directors' Sitting Fees	371,185	387,350
Travelling and Conveyance	15,205,794	14,840,279
Motor Car Expenses	17,234,655	13,218,353
Legal and Professional Charges	25,076,932	13,330,882
Donation	1,140,000	435,000
Vandha Account	1,779,273	2,722,554
Advance written off	4,600,000	—
Auditors' Remuneration:		
Audit Fees	654,120	679,120
Tax Audit Fees	50,000	50,000
Certification work	90,000	90,000
	<u>794,120</u>	<u>819,120</u>
Preliminary Expenses w/off	79,953	79,953
Amortisation of Share Issue Expenses	32,360	110,180
Miscellaneous Expenses	<u>12,592,309</u>	<u>14,835,192</u>
	<u><u>170,777,497</u></u>	<u><u>128,025,746</u></u>

Schedule 12

Significant Accounting Policies and Notes to Consolidated Accounts

A. Significant Accounting Policies

1. Basis of Consolidation

a) Basis of Preparation

The individual Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010 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.

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2010.

c) **List of Subsidiaries Consolidated**

The individual Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010 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 Fund Invest Pvt. Ltd.

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.

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2010.

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.

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2010.

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.

B. NOTES TO ACCOUNTS

16. The Consolidated Financial Statements envisage combining of financial statements of Pioneer Investcorp Ltd., and its following domestic and foreign subsidiaries:

Names of Subsidiary Companies	% holding of Pioneer Investcorp Ltd.	Date of Financial Statement
Pioneer Wealth Management Services Limited	100	31st March' 2010
Pioneer Money Management Limited	100	31st March' 2010
Pioneer Investment Advisory Services Limited	100	31st March' 2010
Pioneer Commodity Intermediaries Private Limited	100	31st March' 2010
Infinity.com Financial Securities Limited	100	31st March' 2010
PINC Fund Advisors LLC (incorporated in Mauritius)	100	31st March' 2010
Pioneer Fundinvest Private Limited	100	31st March' 2010

	Year Ended 31/03/2010 (Rs.)	Year Ended 31/03/2009 (Rs.)
17. Contingent Liabilities on account of:		
(a) Counter guarantees given to banks	200,000,000	Nil
(b) Guarantees issued by Banks, in the books of subsidiaries	117,800,000	92,000,000
Against pledge of Fixed Deposit Receipts	66,687,988	46,000,000

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2010.

	Year Ended 31/03/2010 (Rs.)	Year Ended 31/03/2009 (Rs.)
18. Income Earned in Foreign Currency		
Fee Income	45,500,000	399,600
Other Income#	160,180	109,743,694
Expenses Incurred in Foreign Currency		
Travelling Expenses	658,098	476,385
Business Promotion Expenses	877,788	—
Subscription Charges	293,145	—

Other Income includes dividend received from subsidiary of Rs.Nil (Previous Year Rs.107,605,500)

	Year Ended 31/03/2010	Year Ended 31/03/2009
19. Earning per Share		
Profit/(Loss) after tax before prior period item as per Profit & Loss Account (A) (Rs.)	150,715,786	(7,747,649)
Profit/(Loss) after tax as per profit & Loss Account (B) (Rs.)	150,175,786	(123,276,764)
Weighted Average Number of Equity Share used in Computing Basic/Diluted Earnings per Share (C) (No. of Shares)	12,134,145	11,690,710
(I) Earning Per Share (Rs.) Basic/Diluted - (A/C)	12.42	(0.66)
(II) Earning Per Share (Rs.) Basic/Diluted - (B/C)	12.42	(10.54)

20. Related Party Disclosures

Category I : Key Management Personnel

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

Category - II - Relatives of Key Management Personnel

Directors' Wives

- 1) Mrs. Sulochana Gandhi
- 2) Mrs. Shabnam Gandhi
- 3) Mrs. Parul Gandhi
- 4) Mrs. Ami Gandhi

Directors' Children

- 1) Ms. Riddhima Gandhi
- 2) Mst. Jai Gandhi
- 3) Mst. Vir Gandhi
- 4) Mst. Abhijeet Gandhi

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2010.

Category - III - Other related companies/companies under same group where common control exists.

- (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) PINC Energy Resources Pvt. Ltd.
- (8) Extermpore Securities & Investment Pvt. Ltd.
- (9) Associated Capital Market Management Pvt. Ltd.
- (10) Sargam Multi Trade Pvt. Ltd.
- (11) Devraj Properties Pvt. Ltd.
- (12) L.Gordhandas & Co. Clearing Agent Pvt. Ltd.
- (13) Benefit Reality Pvt. Ltd.

Category IV : Associate Concern

Associated Instruments & Services

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2010.

Details of related party transaction carried out during the year ended 31st March, 2010

Nature of Transactions ((Received)/Paid)	(Amount in Rs.)	
	2009-2010	2008-2009
Details of transactions with key management personnels (referred as category-I)		
Share Capital	—	(3,700,000)
Share Premium	—	(38,850,000)
Remuneration	3,299,928	5,099,964
Sale of Securities	(14,584,820)	(348,000,856)
Purchase of Securities	493,442	90,633,796
Brokerage earned on purchase/sale of securities	(44,536)	(65,984)
Brokerage earned on F&O transactions	(2,614)	(11,448)
Details of transactions with relatives of key management personnels (referred as category-II)		
Sale of Securities	(89,531,819)	(58,105,552)
Purchase of Securities	51,080,523	20,894,295
Brokerage earned on purchase/sale of securities	(178,311)	(49,566)
Brokerage earned on F&O transactions	(101,483)	(523,930)
Closing Balances (Debit/(Credit))	461,213	(13,816,190)
Details of transactions with companies under common control (referred as category-III)		
Sale of Securities	(67,991,938)	(125,270,855)
Purchase of Securities	47,939,979	92,736,079
Brokerage earned on purchase/sale of securities	(84,435)	(119,751)
Brokerage earned on F&O transactions	(52,125)	(11,857)
Closing Balances (Debit/(Credit))	10,053,774	39,105,217
Purchase of Vehicles	—	2,173,096
Income from trading in Government Securities	(44,647,500)	(25,931,988)
Reimbursement of Expenses	(9,559,592)	—

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2010.

21. Segment Reporting

	Advisory & Merchant Banking Fees	Income From Securities/ Investments	Equity Brokerage and related Income	Total As on 31.03.2010
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Segment Revenue	239,423,111	276,074,648	120,849,454	636,347,213
	<i>250,592,642</i>	<i>(26,756,278)</i>	<i>91,659,291</i>	<i>315,495,655</i>
Add:Unallocated Revenue	—	—	—	8,825,784
	—	—	—	<i>136,999,417</i>
Total Revenue	239,423,111	276,074,648	120,849,454	645,172,997
	<i>250,592,642</i>	<i>(26,756,278)</i>	<i>91,659,291</i>	<i>452,495,072</i>
Segment Result before Tax	172,064,722	208,248,961	108,553,687	488,867,370
	<i>153,466,861</i>	<i>(93,826,444)</i>	<i>74,879,095</i>	<i>134,519,510</i>
Add:Unallocated Income/ (expenses)(net)	—	—	—	(273,498,912)
	—	—	—	<i>(126,493,972)</i>
Profit before Tax	—	—	—	215,368,458
	—	—	—	<i>8,025,538</i>
Interest and Finance Charges	—	—	—	—
	—	—	—	—
Provision for Tax	—	—	—	(64,652,671)
	—	—	—	<i>(12,391,839)</i>
Prior Period Adjustment	—	—	—	—
	—	—	—	<i>(115,529,115)</i>
Provision for Tax for earlier years	—	—	—	—
	—	—	—	<i>(3,381,348)</i>
Net Profit	—	—	—	150,715,786
	—	—	—	<i>(123,276,764)</i>
Segment Assets	97,059,756	1,488,127,702	70,524,658	1,655,712,116
	<i>382,647,395</i>	<i>216,922,845</i>	<i>122,078,230</i>	<i>721,648,473</i>
Add:Unallocated Assets	—	—	—	647,683,169
	—	—	—	<i>528,116,199</i>
Total Assets	—	—	—	2,303,395,285
	—	—	—	<i>1,249,764,672</i>
Segment Liabilities	5,000,000	816,997,911	125,384,211	947,382,122
	<i>5,000,000</i>	<i>84,455,619</i>	<i>105,538,773</i>	<i>194,994,392</i>
Add:Unallocated Liabilities	—	—	—	382,148,117
	—	—	—	<i>221,498,291</i>
Total liabilities	—	—	—	1,329,530,239
	—	—	—	<i>416,492,682</i>
Capital Expenditure	—	—	—	27,231,223
	—	—	—	<i>69,523,424</i>
Depreciation	—	13,584	423,540	437,124
	—	<i>16,517</i>	<i>442,192</i>	<i>458,709</i>
Unallocated Depreciation	—	—	—	19,820,960
	—	—	—	<i>11,553,234</i>
Total Depreciation	—	—	—	20,258,084
	—	—	—	<i>12,011,943</i>

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2010.

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) There are no reportable geographic segments.
- 4) Figures in Italics are previous year figures.

22. In accordance with the Accounting Standard 22 "Accounting for taxes on income" (AS 22) issued by the ICAI, the Company has accounted for deferred taxes during the year. Following are the major components of deferred tax (assets)/liabilities.

		Year Ended 31/03/2010 (Rs.)	Year Ended 31/03/2009 (Rs.)
Deferred Tax Liability			
On account of Depreciation difference	(1)	17,789,984	12,837,604
Deferred Tax Asset			
On account of 43B disallowances & b/f losses	(2)	6,157,558	5,068,023
Net Deferred Tax Liability/(Asset)	(1-2)	11,632,426	7,769,581

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

Signature to Schedule 1 to 12
For Jayesh Dadia & Associates

Firm Reg. No. 121142W
Chartered Accountants

G.M.Gandhi
Managing Director

C.C.Dalal
Director

Nishit Dave
Partner
M. No. : 120073
Mumbai, 10th May 2010

A.B.Desai
Director

A.J.Chandra
Company Secretary

Mumbai, 10th May 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010.

	2009 - 2010 (Rs.)	2008 - 2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	215,368,457	8,025,540
Adjustment for :		
Depreciation & Obsolescence	20,258,085	12,011,943
Prior Period item	—	(115,529,115)
Adjustment on account of Pioneer Investcorp International Ltd.	—	(101,258,328)
Employee Stock Compensation Expense	579,423	109,650
Profit on Sale of Investments	(144,002)	(77,125,546)
(Profit)/Loss on Sale of Fixed Assets	118,091	(20,590,156)
Preliminary Expenses	112,313	190,133
Interest / Dividend	(6,938,286)	(119,677,184)
	<u>13,985,624</u>	<u>(421,868,603)</u>
Operating Profit before working capital changes	229,354,080	(413,843,063)
Adjustment for :		
Trade and other receivables	(1,166,497,196)	623,740,453
Trade and other payables	68,534,700	(458,680,810)
	<u>(1,097,962,496)</u>	<u>165,059,643</u>
Direct taxes paid	(21,222,642)	1,682,450
Net cash from Operating Activities	(889,831,058)	(247,100,970)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(27,231,223)	(69,523,424)
Sale of Fixed Assets	14,50,000	50,876,844
Sale of Investment	170,144,002	396,864,018
Purchase of Investment	171,000,000	(73,574,915)
Interest/Dividend received	6,938,286	119,677,184
Net Cash used in Investing Activities	(19,698,935)	424,319,707
C. CASH FLOW FROM FINANCING ACTIVITIES		
Car loans taken/(repaid)	(384,513)	2,206,271
Term loans repaid	(649,357)	(563,589)
Cash Credit taken/(repaid)	779,926,647	(195,088,797)
Term loans taken	2,173,959	30,870,665
Loans taken/(repaid) from Financial Institutions	—	(219,853,752)
Dividend	(12,242,733)	—
Dividend Distribution Tax	(2,033,518)	—
Share Warrant Application Money	(94,500,000)	(37,202,500)
Share Issue Expenses	(70,500)	—
Capital reserve	94,500,000	32,947,500
Share Premium	4,304,300	39,000,500
Employee Stock Option Reserve Reversal on issue	(1,891,890)	(66,150)
Share Capital Suspense Account	—	(10,863,330)
Share Capital Issued	2,002,000	14,633,330
Foreign Exchange Currency Translation Reserve Account	(808,034)	2,040,148
Net Cash used in Financing Activities	770,326,361	(341,939,709)
Net Increase in cash and cash equivalents	(139,203,632)	(164,720,972)
Cash and cash equivalents at beginning of the year	303,929,594	468,650,566
Cash and cash equivalents at end of the year	164,725,962	303,929,594

G.M.Gandhi
Managing Director

C.C.Dalal
Director

A.B.Desai
Director

A.J.Chandra
Company Secretary

Mumbai, 10th May, 2010

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 FIFTH ANNUAL GENERAL MEETING of the Company at Kilchand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai 400 020 on Wednesday, 11th August, 2010 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 Fifth Annual General Meeting of the Company to be held on Wednesday, 11th August, 2010 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 _____ 2010.



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.

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