



## CONTENTS

Company Information	1
Notice	2-3
Directors' Report	4-10
Management Discussion and Analysis	11-13
Corporate Governance Report	14-23
Auditors' Report	25-27
Balance Sheet and Profit & Loss Account	28-29
Schedules to Accounts	30-45
Cash Flow Statement	46
Subsidiary Companies	47
Section 212 Statement	48-49
<b>Consolidated Financials</b>	
Auditors' Report on Consolidated Financial Statements	51
Consolidated Balance Sheet and Profit & Loss Account with Schedules	52-65
Consolidated Cash Flow Statement	66

## 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  
website : www.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 Sixth Annual General Meeting of Pioneer Investcorp Limited will be held on Thursday, 28th, July, 2011, at 11.30 a.m., at Kilachand Conference Room, 2nd floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400 020, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2011 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, 2011.
3. To appoint a Director in place of Mr. C.C. Dalal who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. N. A. Rathod who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Statutory Auditors.

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

### SPECIAL BUSINESS :

#### TO ALTER THE EXISTING MEMORANDUM OF ASSOCIATION OF THE COMPANY.

To consider and if thought fit, to pass with or without modification(s), following resolution as Special Resolution:

6. “RESOLVED THAT pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956 and subject to confirmation of Registrar of Companies, the Memorandum of Association of the Company be and is hereby amended by changing the objects incidental to the attainment of the main objects of the Company by deleting following words under CLAUSE 3 under the head (B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:

The Words “Whose Objects include, objects similar to those of this Company” appearing after the word “Company” and before the word “whether” be deleted under Clause 3, under the head of the (B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS.

RESOLVED FURTHER THAT Mr. G. M. Gandhi, Managing Director and/or Mr. Amit Chandra Company Secretary of the Company be and are hereby authorised to file necessary e-forms with the Registrar of Companies and to do all such act, deeds and things incidental in this regard.”

By order of the Board,

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

Dated: 27th May, 2011.

**Amit Chandra**  
Company Secretary

## ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

### ITEM NO. 6

In order to enhance business opportunities that are available for the Company for acquiring or amalgamating with any other Company, it was proposed to alter Clause 3 of the Memorandum of Association of the Company by deleting the restrictions of “acquiring or amalgamating with any other Company whose objects include objects similar to those of this Company”.

The members are accordingly requested to approve and pass the resolutions as per item no.6 of the notice as Special Resolution.

None of the Directors of the Company is in any way concerned or interested in this resolution.

A copy of the Memorandum of Association of the Company will be open for inspection during working hours at the Registered Office of the Company.

### NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself on a poll and a proxy need not be a member. A instrument appointing the proxy, must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Transfer Books in respect of the Equity Shares of the Company will remain closed from 23rd July, 2011, to 28th July, 2011, (both days inclusive).
4. Dividend on equity shares, when sanctioned, will be made payable on or after 28th July, 2011 to those shareholders whose names stand on the Company's Register of Members on Thursday, 28th July, 2011. In respect of shares held in electronic form, dividend will be paid on the basis of beneficial ownership position as at the end of the day on Friday, 22nd July, 2011 as per data to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL) for this purpose.
5. Members are hereby informed that dividend that remain unclaimed / unencashed over a period of 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.
6. The following are the details of dividend paid by the Company and its respective due date of transfer to such fund of the Central Government, which remain unpaid.

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

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

7. 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.
8. Members desiring any information on Accounts are requested to write to the Company at least ten days prior to the date of the Meeting to enable the Management to keep the information ready.
9. Members are requested to bring their copy of the Annual Report to the Meeting.

## DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the year ended 31st March, 2011.

Financial Highlights	2010-2011 (₹ in lakhs)	2009-2010 (₹ in lakhs)
<b>Profit before Tax</b>	<b>2131.65</b>	1548.80
Less:- Provision for Tax	<b>725.00</b>	380.00
Add / (Less):- Deferred Tax Assets / (Liabilities)	<b>4.91</b>	(43.89)
Less: Short provision for tax of earlier year	<b>22.67</b>	-
<b>Net Profit after Tax</b>	<b>1388.89</b>	1124.91
Add: Balance Brought Forward from the Previous Financial Year	<b>1243.31</b>	561.16
Less: Proposed Dividend	<b>123.39</b>	122.43
Less: Tax on Proposed Dividend	<b>20.02</b>	20.34
Less: Transfer to General Reserve	<b>500.00</b>	300.00
<b>Balance Carried Forward to Balance Sheet</b>	<b>1988.79</b>	1243.31

### Performance Review

After a strong recovery in the fiscal year 2010, the Indian Economy consolidated further during fiscal 2011. Growth in Gross Domestic Product (GDP) during fiscal 2011 was 8.5% compared with revised estimates of 8% during fiscal 2010. Recovery in agricultural output, which increased 6.6% with higher crop output for the major food grains, led the growth in GDP. The manufacturing sector, after growing at double-digit rates of 11.3% in the first half, recorded subdued performance during second half with growth of only 5.8%. From a high of 9.3% in the first quarter, GDP growth came down to 7.8% by the fourth quarter due to lower expansion in the manufacturing and mining sectors. Index of industrial production (IIP) grew 7.8% during fiscal 2011 as against 10.5% during fiscal 2010 with growth in industrial activity coming down to low single digits in the later half of 2011. To counter inflation, Reserve Bank of India (RBI) increased its key repo rate by 225 bps from March 2010 to May 2011.

After touching record high levels in November 2010, the equity markets corrected due to geopolitical tensions in the world, adverse fiscal situation in developed countries, and revelations of alleged scams in the country. These resulted in delay in fiscal reforms and governance issues in the country. Concerns on near-term growth due to rate increases by RBI to counter inflation also weighed down on the Equity Markets. The BSE Sensex increased 10.9% from 17,428 at March 31, 2010 to 19,445 at March 31, 2011. The Indian rupee remained stable against the US dollar at ₹ 45.30 per US dollar at March 31, 2011 as against ₹ 45.10 per US dollar at March 31, 2010. Foreign Institutional Investors (FIIs) further invested US\$ 24.3bn in the Indian Equities during fiscal year 2011.

Despite a volatile economic and market environment during the year, the Company further built on its relationship with various corporates by providing them with financial advisory services including Equity, Debt and Bonds placements.

Key result highlights include a significant growth in both the top line and bottom line. Total income increased 32% to ₹ 4871.02 lakhs as against ₹ 3678.36 lakhs and Profit before tax increased 38% to ₹ 2131.65 lakhs as against ₹ 1548.80 lakhs.

#### **Increase in Share Capital**

During the year under review, the Company issued 66,875 Equity Shares on the exercise of stock options to the Independent Directors and employees of the Company and its subsidiary under the “Pioneer Investcorp Ltd. – Employee Stock Options Scheme - 2006” and “Pioneer Investcorp Ltd. – Employee Stock Options Scheme - 2007”; consequently, the issued, subscribed and paid up Equity Share Capital increased from ₹ 1223.00 lakhs to ₹ 1229.69 lakhs as on March 31st, 2011.

#### **Dividend**

During the year under review, the Company purchased office premises for use of Company's official purpose at Bandra Kurla Complex. Further, considering the Company's expansion plans and requirement of capital expenditure and working capital, the Board of Directors, has recommended a dividend @ 10% (₹ 1.00 per Equity Share of face value of ₹ 10/- each) for the year ended March 31st 2011, subject to approval of the shareholders at the ensuing Annual General Meeting.

#### **Subsidiary Companies and Consolidated Financial Statements**

During the year under review, the Company had six wholly-owned domestic subsidiaries and two wholly-owned overseas subsidiaries. In context of the globalization of the Indian economy and introduction of Accounting Standards on consolidated Financial Statements, The Ministry of Corporate Affairs (MCA) by way of General circular no.2/2011 dated 8th February, 2011, granted general exemption under Section 212(8) of the Companies Act, 1956 to all Company's having subsidiaries from attaching the Balance Sheet, Accounts and other documents of all existing subsidiaries to that of the Holding Company's Annual Accounts, including overseas subsidiaries.

Accordingly, the Board of Directors of the Company has resolved not to publish and attach copies of the standalone annual audited Accounts of all its existing Subsidiaries, including its overseas Subsidiaries. Instead, the Company will publish the Consolidated Accounts, in compliance with the above mentioned MCA circular. Copies of the annual audited Accounts of all its existing Subsidiaries, including its overseas Subsidiaries, may be sought by a member of the Company on making a written request to the Company. The Accounts of these Subsidiaries are also available for inspection to the members of the Company at the Registered Office of the Company. The Company has attached the Consolidated Financial Statements in this Annual Report, which includes the Financial Statements of all its existing Subsidiaries, including the overseas subsidiaries. From the Consolidated Financial Statements, it may be observed that for the year under review revenue from total income was ₹ 8930.11 lakhs and profit before tax is ₹ 2656.93 lakhs.

### **Coal Consultancy and Coal Trading**

This is to inform the members that the Company is engaged in offering Coal Consultancy Services as part of the Investment Banking Services. The division has been functional for more than two years. The division provides consultancy services by identifying potential target acquisition of coal mines in various countries with the purpose of offering them to Indian power producers looking to acquire coal mines. The said division offers the entire gamut of advisory services that includes disseminating knowledge on the mines, helping to evaluate the quality of coal, and assistance in logistics of transportation and in technical and other commercial areas. The services include identifying the right source of coal, right quality of coal, negotiation on pricing, logistics and documentation.

The Coal Consultancy Division clocked revenue of ₹ 4.75 Cr. during the financial year ended March 31, 2011.

The Board of the opinion that the Company having established firmly in the area of Coal Consultancy, the time is right for it to venture into coal trading. The large unmet demand for good quality thermal coal for various existing Indian Power Producers and future plans of various power producers to put up power plants presents a good opportunity for coal trading. Further, the business of coal trading is a logical extension of coal consultancy.

The Board after the year end initiated its first step into coal trading by acquiring a majority stake in PINC Energy Resources Pvt. Ltd., a company already in the business of domestic coal trading.

### **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 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 maintaining adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) The annexed Annual Accounts for the accounting year ended on 31st March, 2011 have been prepared on a going-concern basis.

### **Management Discussion and Analysis**

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

### **Fixed Deposits**

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



## **Director**

Mr. M. M. Gandhi, Promoter and founder of Pioneer Group passed away on May 7, 2011 at Mumbai. He was associated with your Company as its Managing Director for many years. Your Company has benefited from his rich experience and the Board places on record its appreciation for his valuable contribution, astute guidance in the growth of the Company and also for yeomen services rendered by him during his association with your Company. The Board places on record its sense of grief to his family members and prays to Almighty to give strength to the bereaved family members to bear this irreparable loss. May his soul rest in eternal peace and harmony.

In accordance with Section 255 and 256 of the Companies Act 1956 and read with Articles 107, 108, 109 and 110 of the Articles of Association of the Company, Mr. C. C. Dalal and Mr. N. A. Rathod, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting of the Company.

As per the requirements of the Clause 49 of the Listing Agreement, a brief resume of both the Directors proposed to be re-appointed, showing their qualification, experience and the names of the Companies in which they hold directorship, membership of the board committees, is provided in the Corporate Governance Report forming 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, offer themselves for reappointment. The Company received a certificate from the Auditors to the effect that their reappointment, if made, would be in accordance with Section 224 (1B) of the Companies Act, 1956. The Board recommends their appointment.

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

## **Particulars of Employees**

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

## **Conservation of Energy, Technology Absorption, Foreign Earnings and Outgoings**

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

The details of Company's foreign exchange earnings and outgo during the year under review are given in Note no.19 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 mentioned in the Annexure, forming part of the Directors' Report.

During the year, the Company has also availed Shareholders approval for "Pioneer Investcorp Ltd. Employee Stock Option Scheme – 2010" for 20,00,000 Stock Options for the Directors and Employees of the Company and its Subsidiaries.

### **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 towards better corporate practice and transparency, a separate report on Corporate Governance compliances is included as a part of Annual Report.

### **Acknowledgments**

The Board wishes to express its deep appreciation to all 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  
27th May, 2011.

**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).

The Disclosures of both these Schemes, as on 31st March, 2011, 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 at Bombay Stock Exchange Limited prior to the day on which the options were granted.	It is the closing market price of the Shares of the Company at Bombay Stock Exchange Limited prior to the day on which the options were granted.
c. Variation in terms	No variations made in the terms of the options granted.	No variations made in the terms of the options granted.
d. Options granted during the year (No.)	Nil	Nil
e. Weighted Average Price per option granted	₹ 22.05	₹ 100.52
f. Options vested as of March 31, 2011 (No.)	1,52,600	6,74,800
g. Options exercised during the year (No.)	34,175	32,700
h. Total No. of Shares arising as a result of exercise of option during the year (No.)	34,175	32,700
i. Money raised on exercise of options	₹ 7,53,559/- (Rupees Seven lakhs fifty three thousand five hundred fifty nine only)	₹ 19,03,140/- (Rupees Nineteen lakhs three thousand one hundred forty only)
j. Options forfeited and lapsed during the year (No.).	14,000	69,000
k. Total number of options in force at the end of the year (No.)	1,52,600	6,74,800
l. 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
m. 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).	₹ 11.31	₹ 11.31
n. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and EPS of the Company shall also be disclosed.	Increase in profit by ₹ 1,25,835.  Increase in Basic EPS - ₹ 0.01.  Increase in Diluted EPS - ₹ 0.01.	Decrease in profit by ₹ 27,64,894.  Decrease in Basic EPS - ₹ 0.23.  Decrease in Diluted EPS - ₹ 0.23.
o. Weighted - average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise Price - ₹ 22.05  Fair Value - ₹ 17.92.	Exercise Price - ₹ 100.52  Fair Value - ₹ 46.80.
p. 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	₹ 31.50.	₹ 58.20. -₹ 294.61.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INTRODUCTION

The Company is a registered Merchant Banker, having Category – I registration from SEBI and provides Investment Banking and financial advisory services. The Company's services 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 expertise to develop longstanding relationships with corporates as well as institutional investors. The Company and its subsidiaries now have a presence in all areas of the financial sector other than foreign exchange services.

### CORPORATE STRUCTURE

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

#### Domestic Subsidiaries:

1. Infinity.Com Financial Securities Ltd. – Trading cum Clearing Member of NSE, BSE & Depository Participant - CDSL, Trading member of MCX-SX;
2. Pioneer Wealth Management Services Ltd. – Registered Portfolio Manager;
3. Pioneer Fundinvest Pvt. Ltd. – a Non Banking Finance Company;
4. Pioneer Commodity Intermediaries Pvt. Ltd. – Trading cum Clearing Member of NCDEX and MCX and Trading Member of ICEX;
5. Pioneer Money Management Ltd.- Advisory & Consultancy business;
6. Pioneer Investment Advisory Services Ltd. – Advisory & Consultancy business;

#### Overseas Subsidiaries:

7. PINC Fund Advisors LLC - Asset Management Company (Mauritius);
8. PINC International (Singapore) Pte. Ltd., awaiting Capital Market Service Licence from Monetary Authority of Singapore (MAS)

### OUTLOOK AND OPPORTUNITIES

#### Global Factors

Global economic factors have become extremely challenging in the past one year than at any point in the past decade. While developed markets, led by the US, are showing signs of stability and growth, but, it cannot be ignored that this stability and growth are mainly due to substantial monetary and quantitative easing being followed by various Central Banks around the world. At the same time, emerging economies such as Brazil, Russia, India and China (BRIC), continue to grow at a healthy rate. It is expected that the huge liquidity created by substantial monetary easing in the developed world would eventually find its way to the growing BRIC economies. This is likely to create investment opportunities in all these countries, including India. The Company believes that it is well positioned to capitalise on this global phenomenon and consolidate its position in all segments of Investment Banking in the coming year(s).

### Indian Economy and Macro Factors

In terms of growth, India is one of the shining stars growing at a healthy pace. It is expected that the Indian economy is likely to grow at 8-8.5% in the coming years. To achieve this growth rate, significant investments are required in infrastructure – in power generation, ports, and roads etc. with a growing economy and with improving demographics, the services sector in general and more the banking and financial services sectors in particular are poised for significant growth.

### Company's Outlook for its business segments

The Company and its subsidiaries already have a significant presence in all segments of financial services such as Investment Banking, Equity Research, Portfolio Management, and Institutional Broking. The Company expects to increase presence significantly not only by adding more clients to its strong existing client base but by also increasing the number of service offerings.

The Company is taking steps in increasing its team strength in all segments, more particularly in Investment Banking, wherein the company expects significant growth in the coming years.

### Consolidated Financials

(₹ in lakhs)

Particulars	2010-11	2009-10
Total Income	8930.11	6451.72
Profit after tax	1718.42	1507.16

### RISKS AND CONCERNS

The Indian financial markets are now integrated with the global markets. On one hand this increases opportunities for the Indian economy. On the other hand, however, this brings in risks for the economy due to closer linkages with the global economy. The business of the Company is dependent on the country's and global economic buoyancy. Despite strong long-term prospects for the Indian economy, the company is exposed to global economic cycles and volatility. Global factors such as geopolitical tension and global economic slowdown are a potential risk to the company's performance. Besides these, domestic issues such as inflationary trends and the consequent rate tightening by RBI and political uncertainty pose a challenge to the Company.

Given the attractiveness of the Indian markets, a number of new players, domestic and global, have entered the Indian capital markets. This increase in competitive intensity in financial intermediation business is a concern and can impact the performance of the Company.

### INTERNAL CONTROL SYSTEMS

As remarked by the auditors in their report, the Company has an internal control system commensurate with the requirements and 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 32% to ₹ 4871.02 lakhs as against ₹ 3678.36 lakhs and profit before tax increased more than 38% to ₹ 2131.65 lakhs as against ₹ 1548.80 lakhs. The consolidated statement includes various subsidiaries, including the overseas subsidiaries in Mauritius and Singapore and the broking operations of the subsidiary having membership of BSE and NSE.

## **MATERIAL DEVELOPMENT AND HUMAN RESOURCES**

During the year under review, the Company continued to strengthen its Investment Banking Team by recruiting senior executives/professionals with rich and varied experience of more than 15 to 20 years.

## **CAUTIONARY STATEMENT**

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

## CORPORATE GOVERNANCE REPORT

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

### 1. BOARD OF DIRECTORS

#### a) Composition of Board

During the year under report, there was no change in the composition of the Board of Directors of the Company. Mr. G. M. Gandhi, Managing Director represents the Promoters group and the 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 review, the Company paid sitting fee of Rs.10,000 to the non-executive Directors after deducting TDS for each meeting of the Board or a Committee thereof attended by them, except to Mr. N. A. Rathod, who consented not to receive sitting fees from the Company.

#### c) Other provisions as to Board and Committees

##### (i) Meetings and attendance record of each Director

During the year under report from 1st April, 2010 to 31st March, 2011, the Board of Directors held seven meetings on 23.04.2010, 10.05.2010, 30.06.2010, 11.08.2010, 11.11.2010, 11.02.2011, and 15.02.2011.

Mr. G. M. Gandhi and Mr. C. C. Dalal were present at all the seven Board meetings, Mr. A. B. Desai was present at six Board Meetings, Mr. C. M. Maniar, was present at five Board Meetings and Mr. N. A. Rathod was present at two Board Meetings.

All the Directors of the Company were present at 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 seventeen other Companies, of which he is also a member of seven Board Committees. Mr. C. C. Dalal is a Director of two other Companies and he is also a member of two Board Committees. Mr. G. M. Gandhi is a Director of eighteen other Companies and he is also a member of one Board Committee. Mr. N. A. Rathod is a Director of forty two other Companies and Mr. A. B. Desai is a Director of one other Company.

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



**d) Code of Conduct**

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

**2. Audit Committee**

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

**3. Disclosures**

**a) Basis of related party transactions**

There were related party transactions in the ordinary course of business as mentioned in Note no.22 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 in following the same.

**c) Risk management**

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

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

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

**e) Remuneration of Directors**

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

(ii) During the year under review, the Company has not paid any remuneration to Mr. G. M. Gandhi, Managing Director of the Company.

(iii) (a) The Company has granted 20,000 Stock options under “Pioneer Investcorp Ltd. Employee Stock Option Scheme – 2006” to the non-executive independent Directors of the Company and the 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 31.03.2011)
1	C. C. Dalal	10,000	10,000
2	C. M. Maniar	10,000	10,000
3	Mr. A. B. Desai	Nil	Nil
4	Mr. N. A. Rathod	Nil	Nil
	Total	20,000	20,000

(b) The Exercise Price for the aforesaid options granted was ₹ 22.05 per option, which was discounted to 30% of the closing price of the shares of the Company at Bombay Stock Exchange Limited as on 28th February, 2006, prior to 1st 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 is as follows:

Name of the Directors	Category of Director	No. of Shares held in the Company as at 31.03.2011.
Mr. C. M. Maniar	Independent– Non Executive	10,300
Mr. C. C. Dalal	Independent– Non Executive	10,000
Mr. N. A. Rathod	Independent– Non Executive	NIL
Mr. A. B. Desai	Independent– Non Executive	NIL

#### f) Management

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

**g) Shareholders information**

(i) Reappointment of Directors

Mr. C. C. Dalal and Mr. N. A. Rathod, Directors retires by rotation at the ensuing Annual General Meeting and being eligible 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 Chandravadan Dalal	Shri Nalinkant Rathod
Brief Resume	Mr. Chandravadan Dalal has been Non-Executive Independent Director of the Company for more than 16 years. Mr. Dalal holds a degree in commerce from the Mumbai University and is a Chartered Accountant from the Institute of Chartered Accountants of India (ICAI). After obtaining his charter from the ICAI he started his own practice in the name of C. C. Dalal & Co.	Nalinkant Rathod is a Chartered Accountant by Profession, and is the President Director of PT Arutmin Indonesia and PT Kaltim Prima Coal, together the world's largest thermal coal minerals exporters. He is also the commissioner of PT Bumi Resources, Bakrie Group.  Nalin is a seasoned cross cultural negotiator and deal maker who has also successfully turned around non-performing Investments into profitable and valuable investments.
Nature of his expertise	He has over 50 years of professional experience in the field of Accounts and Taxation.	He specializes in Finance and Investment Banking.
Other Directorship	Classic Infrastructure & Development Limited CREF Finance Limited	Asia Pacific Finance & Investment Ltd. Asia Pacific Equity Holdings Ltd. Asia Pacific Investment Holdings Ltd. Asia Procurement & Marketing Services Limited Atreya Finance Pvt. Ltd. AVP Trading Private Ltd. Bakrie Overseas Ltd. Bell Granito Ceramica Ltd. Capital Managers Asia Pte. Ltd. CMA Fund Management Ltd. Capital Asia Ventures Ltd. Cross Hatch Company Ltd. Cerabra Industries Pte. Ltd. Elister IT Solutions (Singapore) Pte. Ltd. Elister IT Solutions (India) Pvt. Ltd.

		<p>Far East Financial Services Ltd.</p> <p>Far Eastern Fisheries Ltd.</p> <p>Far Eastern Brahman Trading Co. Ltd.</p> <p>Far Eastern Marketing Ltd.</p> <p>Far East Canning Industry Ltd.</p> <p>Far Eastern Realty Ltd.</p> <p>Far Eastern Brahman Company Ltd.</p> <p>Far Eastern Hydrocarbons Ltd.</p> <p>Great Asian Holding Pte. Ltd.</p> <p>Great Asian Commodity Pte. Ltd.</p> <p>Great Asian Shipping Pte. Ltd.</p> <p>Gimbal Capital (Singapore) Pte. Ltd.</p> <p>Macropower Development Ltd.</p> <p>Multi Media Investments Ltd.</p> <p>Merlin MD Pte. Ltd.</p> <p>Northsea Services Ltd.</p> <p>Nostrum Energy Pte. Ltd.</p> <p>Prima Javasoftech Dubai Ltd.</p> <p>P S Investment Pte. Ltd.</p> <p>Restile Ceramica Ltd.</p> <p>Radrom Technology Ltd.</p> <p>Serenata Shipping Ltd.</p> <p>Solomed Pte. Ltd.</p> <p>Timeswitch Investment Ltd.</p> <p>Timeswitch Corporations Ltd.</p> <p>Whitehall Industries Pte. Ltd.</p> <p>Toroshil Investments Pte. Ltd.</p>
Other Committee Membership	<p>Classic Infrastructure &amp; Development Limited.</p> <p>CREF Finance Limited.</p>	Nil
Number of Shares held in the Company	10000	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 in the city in which the registered office of the Company is located, and uploaded on the company's website www.pinc.co.in.
- (iii) The Shareholders / Investors Grievance Committee continued to function effectively during the year under review. It continued to attend the matters related to Share Transfers and redressal of Shareholders' complaints. This Committee has three directors, namely, Mr. C. M. Maniar, Mr. G. M. Gandhi and Mr. A. B. Desai. The complaints and grievances of shareholders received if any were duly attended by the Committee and as of now no complaints are pending. To expedite the process of transfer, the Board of Directors of the Company delegated the power of transfer to Mr. Gaurang Gandhi, Managing Director of the Company and also to Mr. Sanjay Kabra, Vice President – Finance jointly with Mr. Amit Chandra, Company Secretary of the Company. Further, the Shares submitted for transfer in physical form were registered and returned by the Company's Registrars and Share Transfer Agents in about 20 days from receipt of the documents, provided the documents were found in order. Shares under objection were returned within two weeks.
- (iv) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority. The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

#### 5. MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

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

#### 6. ANNUAL GENERAL MEETINGS

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

Year	Day, Date and Time	Venue
2007-2008	Thursday, 21st August, 2008, at 11.30 a.m.	Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai-400020.
2008-2009	Thursday, 3rd September, 2009 at 11.30 a.m.	
2009-2010	Wednesday, 11th August, 2010 at 11.30 a.m.	

b) Special Resolutions and businesses transacted at the last three Annual General Meeting were as follows:

Year	Matter
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 business requiring Special Resolution.
2009-2010	There was no business requiring Special Resolution.

c) During the year under review, the shareholders of the Company passed the following resolutions through Postal Ballot.

Sr. no.	Particulars	Result (i.e. as a percentage to the total valid votes cast)
1	Issue of Securities through Global Depository Receipts (“GDRS”) and/or American Depository Receipts (“ADRS”) and/or Foreign Currency Convertible Bonds (“FCCBS”) and/or Qualified Institutional Placement (“QIP”).	Passed with a requisite majority of 100%
2	To Mortgage, Charge and/or Hypothecate Assets of the Company, both Present and future pursuant to section 293(1)(a) of the Companies Act, 1956.	Passed with a requisite majority of 99.86%
3	To re-appoint Mr. Gaurang Gandhi as Managing Director of the company with effect from 1st October, 2010 and fix his Remuneration.	Passed with a requisite majority of 100%
4	To Alter the Existing Articles of Association of the Company.	Passed with a requisite majority of 100%
5	To Grant Employee Stock Options (ESOPS) to the Employees/ Directors of the Company Pursuant to the Proposed “Pioneer Investcorp Limited- Employee Stock Option Scheme – 2010”.	Passed with a requisite majority of 100%
6	To Grant Employee Stock Options (ESOPS) to the Employees/ Directors of Subsidiary Companies under “Pioneer Investcorp Limited- Employee Stock Option Scheme – 2010”.	Passed with a requisite majority of 100%
7	To Grant Employee Stock Options (ESOP’s) equal to or exceeding 1% of Issued Capital per Employee/Director under “Pioneer Investcorp Limited- Equity Stock Option Scheme - 2010”.	Passed with a requisite majority of 99.96%
8	To re-issue Cancelled/Lapsed/Forfeited Employee Stock Options issued under “Pioneer Investcorp Limited- Equity Option Scheme - 2007”.	Passed with a requisite majority of 100%
9	To re-issue Cancelled/Lapsed/Forfeited Employee Stock Options issued under “Pioneer Investcorp Limited- Equity Option Scheme - 2007” to employees/Directors of Subsidiary Companies.	Passed with a requisite majority of 100%

## 7. MEANS OF COMMUNICATIONS

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after the Board approves the same. The results are published in an English newspaper and a regional language newspaper in the city in which the registered office of the Company is located; and uploaded on the company’s website [www.pinc.co.in](http://www.pinc.co.in).

## 8. GENERAL SHAREHOLDERS INFORMATION

a) The Annual General Meeting of the Company will be held on Thursday, 28th July, 2011, 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, 2011)	Within 45 days from the end of quarter.
Financial Reporting for Quarter II - (ending September 30, 2011)	Within 45 days from the end of quarter.
Financial Reporting for Quarter III - (ending December 31, 2011)	Within 45 days from the end of quarter.
Financial Reporting for Quarter IV - (ending March 31, 2012)	Within 45 or 60 days from the end of quarter.

c) The dates of Book Closure are 23rd July, 2011 to 28th July, 2011 (both days inclusive);

d) Dividend @ 10% (i.e. ₹ 1.00 per share) will be paid on or after 28th July, 2011, if approved by the members at the ensuing Annual General Meeting of the Company;

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

f) Share Prices of the Company – High and Low on Bombay Stock Exchange Limited, for the Financial Year April, 2010 to March, 2011, were as follows;

(in ₹)

Month	April 2010	May 2010	June 2010	July 2010	Aug. 2010	Sept. 2010	Oct. 2010	Nov. 2010	Dec. 2010	Jan. 2011	Feb. 2011	March 2011
<b>High</b>	70.95	87.85	77.95	78.50	79.45	79.00	72.00	97.85	68.00	56.00	45.95	44.00
<b>Low</b>	47.45	58.85	62.10	66.75	66.00	66.00	62.60	54.15	44.50	41.10	37.75	33.00

g) The address and telephone and fax numbers of the Registrar and Share Transfer Agent of the Company are 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 on 31st March, 2011, is as under:

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
A	Promoter's holding		
1	Promoters	6267196	50.97
<b>Sub-Total ( A )</b>		<b>6267196</b>	<b>50.97</b>
B	Non-Promoters Holding		
1	Banks and Foreign Institutional Investors	598260	4.86
2	Public including Body Corporate	5431452	44.17
<b>Sub-Total ( B )</b>		<b>6029712</b>	<b>49.03</b>
<b>Total</b>		<b>12296908</b>	<b>100.00</b>

i) The distribution of Shareholding of Equity Shares as on 31st March, 2011, is as under:

Sr. No.	No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage of Shareholding
1.	Less than 50	952	28125	0.23
2.	51 to 100	2194	215685	1.75
3.	101 to 500	1993	509443	4.14
4.	501 to 1000	329	263471	2.14
5.	1001 to 5000	282	604660	4.92
6.	5001 to 10000	35	258795	2.11
7.	10001 to 50000	47	866283	7.04
8.	50001 to 100000	16	1213722	9.87
9.	100001 to 500000	9	1603501	13.04
10.	500001 & above.	2	6733223	54.76
	<b>TOTAL</b>	<b>5859</b>	<b>12296908</b>	<b>100.00</b>

j) As on 31st March, 2011, 77.52% of the Company's total paid up equity shares were held in demat form with NSDL and CDSL;

k) The Company paid listing fees for the Financial Year 2011-12 to Bombay Stock Exchange Limited, the only Exchange where the shares of the Company are presently listed; and

l) The Company's Registered as well as Corporate office is located at 1218, Maker Chambers V, Nariman Point, Mumbai – 400 021, Tel. No.: 022- 6618 6633 / 2202 1171, Fax No.: 022 - 2204 9195. Website : [www.pinc.co.in](http://www.pinc.co.in)

## 9. CERTIFICATE FROM AUDITORS

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

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

In accordance with Clause 49 of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management Personnel have affirmed compliance to the Code of Conduct for the Financial Year ended 31st March, 2011.

Mumbai  
27th May, 2011.

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, 2011, that the Company has complied with the requirements mentioned in the said sub clause.

**G. M. Gandhi**  
Managing Director

Mumbai  
27th May, 2011.

**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, 2011 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  
27th May, 2011.

## 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, 2011 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 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 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, 2011;

(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

27th May 2011

## 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 ₹ 83.67 lacs (previous year ₹ 390.39 lacs), to six of its wholly owned subsidiaries. At the year end, the loans granted to six subsidiaries aggregates to ₹ 135.59 lacs (previous year ₹ 417.74 lacs). The Maximum balance outstanding during the year was ₹ 1722.02 lacs (previous year 2615.49 lacs).  
(b), (c), (d) since interest free loans are granted to the companies under section 301 are repayable on demand, comments under these clauses are not given.  
(e) During the year Company has not taken any loans, secured or unsecured loan from the companies, covered in the register maintained under section 301 of the Act.  
(f)& (g) Since no loans are taken during the year comment under these clauses are not given.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) (a) As explained to us, the Company has entered into all the particulars of contracts or arrangements referred to in section 301 of the Act; and  
(b) As explained to us, transactions made in pursuance of all contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Company is not required to maintain cost accounting records as prescribed by Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including service tax, provident fund, income tax and other material statutory dues applicable to it.  
(b) According to the information and explanation given to us, there are no disputed statutory dues.

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

**For Jayesh Dadia & Associates**

Firm Reg. No. 121142W

Chartered Accountants

**Nishit Dave**

Partner

M.No.: 120073

Mumbai

27<sup>th</sup> May 2011.

**BALANCE SHEET AS AT 31ST MARCH, 2011.**

SOURCES OF FUNDS	Schedule No.	₹	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>Share Holders' Funds</b>				
Share Capital	1	128,946,972		128,278,222
Reserves and Surplus	2	<u>872,272,204</u>		<u>745,868,832</u>
			1,001,219,176	874,147,054
<b>Secured Loans</b>	3	366,459,335		801,578,031
Deferred Tax Liability		15,089,241		15,580,625
			<u>1,382,767,752</u>	<u>1,691,305,710</u>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets:</b>	4			
Gross Block		178,162,371		171,241,936
Less: Depreciation		<u>57,408,570</u>		<u>35,426,173</u>
Net Block		120,753,800		135,815,763
Capital Work in progress		<u>380,838,357</u>		<u>115,511,075</u>
			501,592,157	251,326,838
<b>Investments</b>	5	404,049,474		394,687,474
<b>Current Assets, Loans and Advances :</b>	6			
Closing Stock		43,532,426		823,354,259
Sundry Debtors		515,482,039		266,364,638
Cash and Bank Balances		39,356,719		12,114,356
Loans and Advances		<u>165,647,436</u>		<u>178,698,587</u>
		764,018,620		1,280,531,840
<b>Less: Current Liabilities and Provisions :</b>	7			
Current Liabilities		169,110,471		123,714,641
Provisions		<u>117,782,028</u>		<u>111,525,801</u>
		286,892,499		235,240,442
<b>Net Current Assets</b>			477,126,121	1,045,291,398
			<u>1,382,767,752</u>	<u>1,691,305,710</u>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>	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

**A.B.Desai**  
Director

**C.M.Maniar**  
Director

**Nishit Dave**  
Partner  
M.No. : 120073  
Mumbai, 27th May 2011

**Rakesh Bhatia**  
CFO

**A.J.Chandra**  
Company Secretary

Mumbai, 27th May 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.**

	Schedule No.	1st April, 2010 to 31st March, 2011 ₹	1st April, 2009 to 31st March, 2010 ₹
<b>INCOME</b>			
Income from Operations		483,716,429	365,981,538
Income from Investments		52,535	144,002
Other Income	8	3,332,765	1,710,854
<b>Total Income</b>		<b>487,101,729</b>	<b>367,836,394</b>
<b>EXPENDITURE</b>			
Employment Cost	9	84,429,802	58,656,275
Administration and other expenses	10	106,717,314	93,567,872
Interest		60,807,194	42,190,298
Depreciation		21,982,398	18,542,236
<b>Total Expenditure</b>		<b>273,936,709</b>	<b>212,956,681</b>
<b>PROFIT BEFORE TAX</b>		<b>213,165,021</b>	<b>154,879,713</b>
Provision for Taxation		(72,500,000)	(38,000,000)
Deferred Tax		491,383	(4,388,741)
Excess/(Short) Provision for Tax of earlier year		(2,267,728)	—
<b>NET PROFIT BEFORE APPROPRIATIONS</b>		<b>138,888,676</b>	<b>112,490,972</b>
Balance brought forward from previous year		124,330,888	56,116,167
Less: Proposed Dividend		12,339,083	12,242,733
Less: Dividend Distribution Tax		2,001,871	2,033,518
Less: Transferred to General Reserve		50,000,000	30,000,000
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>198,878,611</b>	<b>124,330,888</b>
Earning Per Share (See note 21)			
Basic/Diluted		11.31	9.27
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

**A.B.Desai**  
Director

**C.M.Maniar**  
Director

**Nishit Dave**  
Partner

**Rakesh Bhatia**  
CFO

**A.J.Chandra**  
Company Secretary

M.No. : 120073

Mumbai, 27th May 2011

Mumbai, 27th May 2011

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011.**

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
25,000,000 Equity Shares of ₹ 10/- each (previous year 25,000,000)	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid-up		
12,296,908 (12,230,033) Equity Shares of ₹ 10/- each	<u>122,969,080</u>	122,300,330
Add :Amount paid up on Shares Forfeited	<u>5,977,892</u>	5,977,892
	<u>128,946,972</u>	<u>128,278,222</u>
Of the above:		
66,875 (Previous Year 200,200) equity shares of ₹ 10/- each were allotted pursuant to ESOP Scheme' 2006 and 2007		
<b>Schedule 2</b>		
<b>RESERVES AND SURPLUS</b>		
General Reserve	<u>263,828,549</u>	233,828,549
Add: Transferred from Profit & Loss Account	<u>50,000,000</u>	30,000,000
	<u>313,828,549</u>	263,828,549
Share Premium Account	<u>111,192,453</u>	108,881,550
Employees Stock Options (See note 9 and 17)	<u>1,442,071</u>	1,897,324
Capital Reserve	<u>127,447,500</u>	127,447,500
Capital (Amalgamation) Reserve A/c	<u>119,483,021</u>	119,483,021
Profit and Loss Account	<u>198,878,611</u>	124,330,888
	<u>872,272,204</u>	<u>745,868,832</u>
<b>Schedule 3</b>		
<b>SECURED LOANS</b>		
<b>From Banks</b>		
-Term Loans	<u>86,943,756</u>	68,737,339
-Cash Credit	<u>60,839,915</u>	726,830,427
-Over Draft	<u>4,500,000</u>	4,500,000
<b>From Other Financial Institutions</b>		
-Term Loans	<u>214,175,664</u>	1,510,265
	<u>366,459,335</u>	<u>801,578,031</u>

**Notes:**

1. Term Loans are secured by first charge on mortgage of office premises, all moveable capital assets and hypothecation of vehicles.
2. Cash Credit facilities are secured against pledge of Government Securities and Bonds.
3. Over draft facility is secured against pledge of Fixed Deposits.



**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011.****Schedule 4****FIXED ASSETS**

Particulars of Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2010	Additions during the year	Deductions during the year	As on 31.03.2011	Upto 01.04.2010	For the year	Deductions/ Adjustments	Upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Office Premises	14,328,820	—	—	14,328,820	2,780,818	233,560	—	3,014,378	11,314,442	11,548,002
Leasehold Office Premises	16,726,567	—	—	16,726,567	2,273,227	3,345,313	—	5,618,540	11,108,027	14,453,340
Office Equipments	73,870,221	4,247,123	—	78,117,344	16,389,555	10,433,781	—	26,823,336	51,294,008	57,480,666
Furniture & Fixtures	36,634,234	161,226	—	36,795,460	5,745,607	2,318,646	—	8,064,252	28,731,207	30,888,627
Vehicles	5,546,086	—	—	5,546,086	2,020,347	365,637	—	2,385,984	3,160,102	3,525,739
Software	24,136,008	2,512,086	—	26,648,094	6,216,619	5,285,460	—	11,502,079	15,146,015	17,919,389
<b>Total</b>	<b>171,241,936</b>	<b>6,920,435</b>	<b>—</b>	<b>178,162,371</b>	<b>35,426,173</b>	<b>21,982,398</b>	<b>—</b>	<b>57,408,570</b>	<b>120,753,800</b>	<b>135,815,763</b>
Previous Year	145,302,588	27,016,131	1,076,783	171,241,936	17,377,840	18,542,236	493,901	35,426,173	135,815,763	59,120,795
Capital Work-in-progress*									380,838,357	115,511,075

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

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011**

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>Schedule 5</b>		
<b>INVESTMENTS (Long Term, at cost)</b>		
<b>(A) Trade Investments in wholly owned Subsidiary Companies (Unquoted)</b>		
Infinity.Com Financial Securities Ltd. (18,500,000 fully paid Equity Shares (previous year 18,500,000) of ₹ 10/- each)	244,501,960	244,501,960
Infinity.com Financial Securities Ltd. (600,000 fully paid Redeemable Preference shares (previous year 600,000) of ₹ 100/- each)	21,498,040	21,498,040
Pioneer Commodity Intermediaries Pvt. Ltd. (16,00,000 fully paid Equity Shares (previous year 16,00,000) of ₹ 10/- each)	16,000,000	16,000,000
Pioneer Investment Advisory Services Ltd. (50,000 fully paid Equity Shares (previous year 50,000) of ₹ 10/- each)	500,000	500,000
Pioneer Money Management Ltd. (3,000,000 fully paid Equity Shares (previous year 3,000,000) of ₹ 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 ₹ 10/- each)	69,900,000	69,900,000
Pioneer Fundinvest Pvt. Ltd. (21,000 fully paid Equity Shares (previous year 21,000) of ₹ 100/- each)	3,612,000	3,612,000
PINC Fund Advisors LLC. (incorporated in Mauritius) (100,000 fully paid Ordinary Shares (previous year 100,000) of USD 1 each)	3,939,730	3,939,730
PINC International (Singapore) Pte Ltd (incorporated in Singapore) (300,000 fully paid Ordinary Shares (previous year Nil) of S\$ 1 each)	10,362,000	—
<b>Total (A)</b>	<b>400,313,730</b>	<b>389,951,730</b>
<b>(B) Trade Investments in Associate Companies (Unquoted)</b>		
Pioneer Insurance & Reinsurance Brokers Pvt Ltd. (250,000 fully paid Equity Shares (previous year 250,000) of ₹ 10/- each)	2,500,000	2,500,000
<b>Total (B)</b>	<b>2,500,000</b>	<b>2,500,000</b>
<b>(C) Trade Investments in Other Companies (Quoted)</b>		
Arihant Foundations & Housing Ltd. (2,645 fully paid Equity Shares (previous year 2,645) of ₹ 10/- each) (Market Value as on 31st March 2011 is ₹ 165,445 (previous year ₹ 331,551))	1,235,744	1,235,744
<b>Total (C)</b>	<b>1,235,744</b>	<b>1,235,744</b>
<b>(D) Investments in Mutual Funds</b>		
Axis Equity Fund Growth. (Nil units (previous year 100,000) of ₹ 10/- each (Market Value as on 31st March 2011 is ₹ Nil (previous year ₹ 1,039,000))	—	1,000,000
<b>Total (D)</b>	<b>—</b>	<b>1,000,000</b>
<b>Total Investments (A + B + C + D)</b>	<b>404,049,474</b>	<b>394,687,474</b>

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011.**

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>Schedule 6</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Current Assets:</b>		
Closing Stock of Government Security Papers/Bonds* (See note 4 and 20) (as certified by the Management and at lower of cost or market value)	43,532,426	823,354,259
*(Government Securities Papers/Bonds are pledged with Secured Lenders)		
<b>Sundry Debtors: **</b> (Unsecured & considered good)	—	—
Outstanding for more than six months	—	—
Other Debts	515,482,039	266,364,638
	<b>515,482,039</b>	<b>266,364,638</b>
** (Debtors includes ₹ 3,385.29 lacs (previous year ₹ 2,342.82 lacs) on account of sale of Securities and Bonds)		
<b>Cash and Bank Balances :</b>		
Cash and Cheques on hand	13,485	47,526
Balances with Scheduled Banks:		
in Current Account	29,586,547	6,295,500
in Fixed Deposit Account***	7,550,000	5,500,000
Accrued interest on Fixed Deposits	2,206,688	271,330
	<b>39,356,719</b>	<b>12,114,356</b>
*** (of the above ₹ 70.50 lacs FDR's are under lien with Banks.)		
<b>Loans and Advances :</b> (Unsecured and considered good)		
Advances recoverable in cash or in kind for value to be received	53,254,506	53,289,664
Security Deposits	20,323,847	21,749,680
Advance Tax	92,069,083	103,659,243
	<b>165,647,436</b>	<b>178,698,587</b>
	<b>764,018,620</b>	<b>1,280,531,840</b>
<b>Schedule 7</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities:</b>		
Sundry Creditors*(Due to other than micro & small enterprises)	147,372,432	102,090,878
Advance from Client	5,100,000	5,000,000
Other Liabilities	1,400,000	1,649,048
Dividend Payable	12,296,908	12,242,733
Dividend Distribution Tax Payable	1,994,866	2,033,518
Unclaimed Dividends	946,264	698,464
*(Creditors includes ₹ 1,114.73 lacs (previous year ₹ 856.67 lacs) on account of purchase of Securities and Bonds)	<b>169,110,471</b>	<b>123,714,641</b>
<b>Provisions:</b>		
Provision for Taxation	110,500,000	104,003,461
Provision for Gratuity	6,609,299	5,258,327
Provision for Leave encashment on retirement	672,729	672,729
Provision for Fringe Benefit Tax	—	1,591,284
	<b>117,782,028</b>	<b>111,525,801</b>
	<b>286,892,499</b>	<b>235,240,442</b>

## SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

	1st April, 2010 to 31st March, 2011 ₹	1st April, 2009 to 31st March, 2010 ₹
<b>Schedule 8</b>		
<b>OTHER INCOME</b>		
Interest Income (Tax deducted at source ₹ 122,889 (previous year ₹ 50,211))	3,234,370	502,111
Miscellaneous Income	—	1,208,743
Dividend received	2,645	—
Foreign Exchange Fluctuation	95,750	—
	<u>3,332,765</u>	<u>1,710,854</u>
<b>Schedule 9</b>		
<b>EMPLOYMENT COST</b>		
Salaries and Bonus	79,454,403	54,666,586
Gratuity	1,350,972	1,709,878
Employer's Contribution to Provident Fund	2,057,337	1,220,255
Staff Welfare	1,567,090	1,059,556
	<u>84,429,802</u>	<u>58,656,275</u>
<b>Schedule 10</b>		
<b>ADMINISTRATION AND OTHER EXPENSES</b>		
Rent	27,559,800	27,660,300
Bank Commission and Charges	4,396,552	5,477,984
Business Promotion Expenses	3,214,600	4,313,468
Power and Fuel	2,532,668	2,392,204
Postage, Telex and Telephones	3,204,621	4,440,191
Directors' Sitting Fees	290,000	300,000
Travelling and Conveyance	10,093,717	9,153,786
Motor Car Expenses	8,517,884	7,157,862
Legal and Professional Charges	33,640,249	16,816,794
Donation	2,235,000	1,140,000
Maintenance Expenses	4,058,604	3,493,891
Auditors' Remuneration:		
Audit Fees	300,000	300,000
Tax Audit Fees	50,000	50,000
Certification work	120,000	90,000
	<u>470,000</u>	<u>440,000</u>
Miscellaneous Expenses	6,503,619	10,781,392
	<u>106,717,314</u>	<u>93,567,872</u>

**SCHEDULES TO ACCOUNTS: 31ST MARCH, 2011.****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.

**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, 2011.****(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, 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 Schemes**

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.

**SCHEDULES TO ACCOUNTS: 31ST MARCH, 2011.****(b) Defined Benefit Plan**

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

**12. Miscellaneous Expenditure**

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

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

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

**14. Taxation**

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

**15 Impairment of Assets**

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

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

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

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

**SCHEDULES TO ACCOUNTS: 31ST MARCH, 2011.****B. NOTES TO ACCOUNTS**

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

Name of the Company	Amount outstanding as on 31st March, 2011 ₹	Maximum balance outstanding during the year ₹	Investment in shares of the company No. of Equity Shares
Pioneer Wealth Management Services Ltd.	<b>2,108,993</b> (524,808)	<b>2,108,993</b> (586,058)	<b>6,990,000</b> (6,990,000)
Pioneer Money Management Ltd.	<b>61,898</b> (25,898)	<b>61,898</b> (25,898)	<b>3,000,000</b> (3,000,000)
Pioneer Investment Advisory Services Ltd.	<b>145,298</b> (104,998)	<b>145,298</b> (104,998)	<b>50,000</b> (50,000)
PINC Fund Advisors LLC	<b>5,245,188</b> (4,100,038)	<b>5,245,188</b> (4,100,038)	<b>100,000</b> (100,000)
Infinity.com Financial Securities Ltd.	<b>Nil</b> (36,995,606)	<b>158,642,981</b> (256,709,213)	<b>18,500,000</b> (18,500,000)
Pioneer Fundinvest Pvt. Ltd.	<b>69,348</b> (22,348)	<b>69,348</b> (22,348)	<b>21,000</b> (21,000)
PINC International (Singapore) Pte. Ltd.	<b>5,928,491</b> (Nil)	<b>5,928,491</b> (Nil)	<b>300,000</b> (Nil)

17. The Company, under its various ESOP Schemes, has granted in aggregate 2506500 options, as on 31st March, 2011 (previous year 2506500).

Employee Stock option Reserve outstanding at the beginning of the year amounting to ₹ 1,897,324 (previous year ₹ 4,673,970) was reduced proportionately by ₹ 322,953 (previous year ₹ 1,891,890) on account of Share issued on the exercise of stock options and by ₹ 132,300 (previous year ₹ 884,756) on account of stock options forfeited/lapsed during the year.

The details of outstanding options are as under:

Particulars	2010-2011		2009-2010	
	ESOP 2007	ESOP 2006	ESOP 2007	ESOP 2006
Options in force at the beginning of the year	<b>776,500</b>	<b>200,775</b>	1,111,500	494,600
Add: Options granted during the year	<b>Nil</b>	<b>Nil</b>	Nil	Nil
Less: Options forfeited/lapsed	<b>69,000</b>	<b>14,000</b>	335,000	93,625
Less: Options Exercised during the year	<b>32,700</b>	<b>34,175</b>	Nil	200,200
Options in force at the end of the year	<b>674,800</b>	<b>152,600</b>	776,500	200,775
Vested Options outstanding-opening	<b>543,550</b>	<b>200,775</b>	389,025	463,250
Add: Options vested during the year	<b>232,950</b>	<b>Nil</b>	389,025	31,350
Less: Options Exercised during the year	<b>32,700</b>	<b>34,175</b>	Nil	200,200
Less: Vested Options Lapsed	<b>69,000</b>	<b>14,000</b>	234,500	93,625
Vested Options outstanding-closing	<b>674,800</b>	<b>152,600</b>	543,550	200,775



**SCHEDULES TO ACCOUNTS: 31ST MARCH, 2011.**

	<b>Year Ended 31/03/2011 ₹</b>	Year Ended 31/03/2010 ₹
<b>18. Contingent Liabilities on account of:</b>		
Counter guarantees given to banks	<b>300,000,000</b>	200,000,000
<b>19. Details of Foreign Currency transactions</b>		
Income Earned in Foreign Currency		
Professional Fees	<b>225,857</b>	—
Expenses Incurred in Foreign Currency		
Traveling Expenses	<b>524,620</b>	378,038
Professional Fees paid	<b>7,349,100</b>	—
<b>20. Details of Government Securities/Bonds transactions during the year are as follows:</b>		
	<b>Year Ended 31/03/2011 ₹</b>	Year Ended 31/03/2010 ₹
Sale of Securities	<b>25,324,536,160</b>	34,953,063,201
Add: Closing Stock	<b>43,532,426</b>	823,354,259
Less: Purchase of Securities	<b>24,477,802,512</b>	35,438,235,686
Less: Opening Stock	<b>823,354,259</b>	107,990,490
Profit from trading in Government Securities/Bonds	<b>66,911,816</b>	230,191,284
<b>21. Earning Per Share</b>		
Profit as per Profit & Loss Account (A) (₹)	<b>138,888,676</b>	112,490,972
Weighted Average Number of Equity Share used in Computing Basic/diluted earnings per Share (B) (No. of Shares)	<b>12,275,854</b>	12,134,145
Earning Per Share (₹) Basic/Diluted - (A/B)	<b>11.31</b>	9.27

**22. Related Party Disclosures**

Persons constituting group within the definition of “group” as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

**Category I : Key Management Personnel**

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

**SCHEDULES TO ACCOUNTS: 31ST MARCH, 2011.****Category - II - Subsidiary Companies**

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

**Category – III –Entities under common control**

- 1) Pioneer Intermediaries Pvt. Ltd.
- 2) Pioneer Insurance & Reinsurance Brokers Pvt. Ltd.
- 3) Sharppoint 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.
- 9) Benefit Realty Pvt. Ltd.
- 10) Festive Multitrade Pvt. Ltd.

Details of related party transaction carried out during the year ended 31st March, 2011

Nature of Transactions ((Received)/Paid)	2010-2011 ₹	2009-2010 ₹
<b>Details of transactions with key management personnels (referred as category-I)</b>		
Remuneration	9,700,008	3,299,928
<b>Details of transactions with subsidiary companies (referred as category-II)</b>		
Purchase of Investments	10,650,662	6,000,000
Sale of Investments	(312,587)	Nil
Loans & Advances	3,417,710	39,038,722
Purchase/(Sale) of Government Securities	32,370,870	(125,437,225)
Brokerage on Purchase/Sale of Securities	Nil	51,798
Collateral Guarantees given	300,000,000	200,000,000
Closing balances ((Cr)/Dr)	13,235,044	41,773,695

**SCHEDULES TO ACCOUNTS: 31ST MARCH, 2011.**

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

		Gratuity (In ₹)	
		Valuation Date 31st March 2011	Valuation Date 31st March 2010
I	Assumptions		
	Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult
	Discount Rate	8.30%	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 #	5,258,327	3,548,449
	Interest Cost #	420,666	283,876
	Current Service Cost #	1,728,446	1,507,870
	Benefits Paid #	—	—
	Actuarial gain/(loss) on obligation #	(798,140)	(81,868)
	PVO at end of period #	6,609,299	5,258,327
III	Changes in Fair value of plan Assets		
	Fair Value of plan assets at beginning of Period #	—	—
	Expected return on plan assets #	—	—
	Contributions #	—	—
	Benefits Paid #	—	—
	Actuarial gain/(loss) on plan assets #	—	—
	Fair Value of plan assets at end of Period #	—	—
IV	Fair Value of plan Assets		
	Fair Value of plan assets at beginning of Period	—	—
	Actual return on plan assets	—	—
	Contributions	—	—
	Benefits Paid	—	—
	Fair Value of plan assets at end of Period	—	—
	Funded Status	(6,609,299)	(5,258,327)
	Excess of Actual Over Estimated return On plan Assets	—	—
V	Actuarial (Gain/Loss) Recognized		
	Actual Gain/Loss for the period (Obligation)	798,140	81,868
	Actual Gain/Loss for the period (Plan Assets)	—	—
	Total Gain/Loss for the period	798,140	81,868
	Actuarial (Gain/Loss) Recognized for the period	798,140	81,868
	Unrecognized Actuarial (Gain/Loss) at end of period	—	—

## SCHEDULES TO ACCOUNTS: 31ST MARCH, 2011.

	Valuation Date 31st March 2011	(In ₹) Valuation Date 31st March 2010
VI	Amount to be recognized in the balance sheet and statement of profit & loss Account	
	PVO at end of period	6,609,299
	Fair Value of plan assets at end of Period	5,258,327
	Funded Status	—
	Unrecognized Actuarial Gain/Loss	(6,609,299)
	Net Asset/ Liability Recognized in the Balance Sheet	(5,258,327)
VII	Expenses Recognized in the Statement of Profit & Loss A/c	
	Current Service Cost	1,728,446
	Interest Cost	1,507,870
	Expected Return on Plan Assets	420,666
	Net Actuarial Gain/(Loss) Recognized for the period	—
	Expense Recognized in the statement of Profit & Loss A/c	(798,140)
		1,350,972
VIII	Movements in the Liability Recognized in Balance Sheet	
	Opening Net Liability	5,258,327
	Expenses as Above	3,548,449
	Contribution Paid	1,709,878
	Closing Net Liability	—
		6,609,299
		5,258,327

**SCHEDULES TO ACCOUNTS: 31ST MARCH, 2011.****24. Disclosure of Business Segment in accordance with AS-17 "Segment Reporting" issued by ICAI.**

	Advisory & Merchant Banking Fees ₹	Income From Coal and Energy Resources ₹	Income From Securities ₹	Total As on 31.03.2011 ₹
<b>Segment Revenue</b>	<b>349,020,912</b>	<b>47,500,000</b>	<b>87,248,052</b>	<b>483,768,964</b>
	<i>135,349,758</i>	—	<i>230,775,782</i>	<i>366,125,540</i>
Add:Unallocated Revenue	—	—	—	<b>3,332,765</b>
	—	—	—	<i>1,710,854</i>
<b>Total Revenue</b>	<b>349,020,912</b>	<b>47,500,000</b>	<b>87,248,052</b>	<b>487,101,729</b>
	<i>135,349,758</i>	—	<i>230,775,782</i>	<i>367,836,394</i>
<b>Segment Result before Tax</b>	<b>240,204,111</b>	<b>25,791,797</b>	<b>1,691,052</b>	<b>267,686,961</b>
	<i>68,528,714</i>	—	<i>162,999,782</i>	<i>231,528,496</i>
Add:Unallocated Income/(Expenses)(net)	—	—	—	<b>(54,521,940)</b>
	—	—	—	<i>(76,648,783)</i>
<b>Profit before Tax</b>	—	—	—	<b>213,165,021</b>
	—	—	—	<i>154,879,713</i>
<b>Interest and Finance Charges</b>	—	—	—	—
	—	—	—	—
<b>Provision for Tax</b>	—	—	—	<b>(72,008,617)</b>
	—	—	—	<i>(42,388,741)</i>
<b>Provision for Tax for earlier years</b>	—	—	—	<b>(2,267,728)</b>
	—	—	—	<i>(3,024,728)</i>
<b>Net Profit</b>	—	—	—	<b>138,888,676</b>
	—	—	—	<i>112,490,972</i>
<b>Segment Assets</b>	<b>129,799,788</b>	<b>47,153,250</b>	<b>382,061,426</b>	<b>559,014,464</b>
	<i>32,082,922</i>	—	<i>1,452,323,449</i>	<i>1,484,406,371</i>
Add:Unallocated Assets	—	—	—	<b>1,110,645,787</b>
	—	—	—	<i>442,139,780</i>
<b>Total Assets</b>	—	—	—	<b>1,669,660,251</b>
	—	—	—	<i>1,926,546,151</i>
<b>Segment Liabilities</b>	<b>19,391,774</b>	—	<b>176,812,915</b>	<b>196,204,689</b>
	<i>5,000,000</i>	—	<i>816,997,911</i>	<i>821,997,911</i>
Add:Unallocated Liabilities	—	—	—	<b>472,236,386</b>
	—	—	—	<i>230,433,465</i>
<b>Total liabilities</b>	—	—	—	<b>668,441,075</b>
	—	—	—	<i>1,052,431,376</i>
<b>Capital Expenditure</b>	—	—	—	<b>387,758,792</b>
	—	—	—	<i>27,016,131</i>
<b>Depreciation</b>	—	—	—	—
	—	—	—	—
<b>Unallocated Depreciation</b>	—	—	—	<b>21,982,398</b>
	—	—	—	<i>18,542,236</i>
<b>Total Depreciation</b>	—	—	—	<b>21,982,398</b>
	—	—	—	<i>18,542,236</i>

**SCHEDULES TO ACCOUNTS: 31ST MARCH, 2011.****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.

- 25.** 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

		<b>Year Ended 31/03/2011</b>	Year Ended 31/03/2010
		₹	₹
<b>Deferred Tax Liability</b>			
On account of Depreciation difference	(1)	<b>18,394,835</b>	17,746,604
<b>Deferred Tax Asset</b>			
On account of 43B disallowances and b/f losses	(2)	<b>3,305,594</b>	2,165,977
Net Deferred Tax Liability/(Asset)	(1 - 2)	<b>15,089,241</b>	15,580,627

- 26.** Provision for Income Tax has been made in the accounts as per the provisions of the Income Tax Act, 1961.
- 27.** The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure requirements in this regard as per Schedule VI of the Companies Act, 195 have not been provided.
- 28.** 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.
- 29.** 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, 2011.****30. 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, 2011

₹ 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	:	1,382,768
Total Assets	:	1,382,768

**Sources of funds**

Paid up Capital	:	128,947
Reserves & Surplus	:	872,272
Share Warrant Application Money	:	—
Secured Loans	:	366,459
Unsecured Loans	:	—
Deferred Tax Liability	:	15,089

**Application of Funds**

Net Fixed Assets	:	501,592
Investments	:	404,049
Net Current Assets	:	477,126
Miscellaneous Expenditure	:	—
Deferred Tax Asset	:	—

**IV. Performance of the Company**

Total Income	:	487,102
Total Expenditure	:	273,937
Profit Before Tax	:	213,165
Profit After Tax	:	138,889
Earnings Per Share (₹)	:	11.31
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

**A.B.Desai**  
Director

**C.M.Maniar**  
Director

**Nishit Dave**  
Partner  
M.No. : 120073  
Mumbai, 27th May 2011

**Rakesh Bhatia**  
CFO

**A.J.Chandra**  
Company Secretary

Mumbai, 27th May 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011.**

	2010 - 2011	2009 - 2010
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary Items	213,165,021	154,879,713
Adjustment for :		
Depreciation & Obsolescence	21,982,398	18,542,236
Prior Period item	—	—
Employee Stock Compensation Expense	(132,300)	579,423
Profit on Sale of Investments	(52,535)	(144,002)
(Profit)/Loss on Sale of Fixed Assets	—	432,882
Interest / Dividend	(3,237,015)	(502,111)
	<u>18,560,548</u>	<u>18,908,428</u>
<b>Operating Profit before working capital changes</b>	<b>231,725,569</b>	<b>173,788,141</b>
Adjustment for :		
Trade and other receivables	532,165,422	(811,701,064)
Trade and other payables	(20,847,943)	98,005,790
	<u>511,317,479</u>	<u>(713,695,273)</u>
Direct taxes paid	9,322,433	(19,399,421)
<b>Net cash from Operating Activities</b>	<b>752,365,481</b>	<b>(559,306,554)</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(272,247,717)	(142,527,206)
Sale of Fixed Assets	—	150,000
Sale of Investment	34,773,459	170,144,002
Purchase of Investment	(44,082,924)	(177,000,000)
Interest/Dividend received	3,237,015	502,111
<b>Net Cash used in Investing Activities</b>	<b>(278,320,167)</b>	<b>(148,731,093)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Term loans	230,871,816	2,708,850
Cash Credit	(665,990,512)	637,625,995
Over Draft	—	4,500,000
Dividend	(12,339,083)	(12,242,733)
Dividend Distribution Tax	(2,001,871)	(2,033,518)
Share Warrant Application Money	—	(94,500,000)
Capital reserve	—	94,500,000
Share Premium	2,310,903	4,304,300
Employee Stock Option Reserve Reversal on issue	(322,954)	(1,891,890)
Share Capital Issued	668,750	2,002,000
<b>Net Cash used in Financing Activities</b>	<b>(446,802,951)</b>	<b>634,973,004</b>
<b>Net Increase in cash and cash equivalents</b>	<b>27,242,363</b>	<b>(73,064,643)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>12,114,356</b>	<b>85,178,998</b>
<b>Cash and cash equivalents at end of the year</b>	<b>39,356,719</b>	<b>12,114,356</b>

**For Jayesh Dadia & Associates**

Firm Reg. No. 121142W

Chartered Accountants

G.M.Gandhi  
Managing DirectorC.C.Dalal  
DirectorA.B.Desai  
DirectorC.M.Maniar  
Director**Nishit Dave**

Partner

M.No. : 120073

Mumbai, 27th May 2011

**Rakesh Bhatia**  
CFO**A.J.Chandra**  
Company Secretary

Mumbai, 27th May 2011



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

Particulars	Infinity.com Financial Securities Limited		Pioneer Wealth Management Services Limited		Pioneer Money Management Limited		Pioneer Investment Advisory Services Limited		Pioneer Commodity Intermediaries Pvt. Limited		PINC Fund Advisors LLC (Mauritius)		PINC International (Singapore) Pte. Limited		Pioneer Fundinvest Pvt. Limited	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
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	16,000,000	3,939,730	3,939,730	10,362,000	—	2,100,000	2,100,000
Reserves & Surplus	177,147,206	125,820,095	3,767,158	2,690,233	(321,138)	(276,413)	(51,973)	(48,079)	(3,074,700)	(2,754,683)	(9,195,136)	(3,866,555)	(13,863,967)	—	801,935	697,682
Total Assets	883,335,385	691,051,369	78,314,501	75,522,931	29,776,791	29,800,563	629,356	607,997	12,937,433	13,337,326	66,728	4,250,919	2,173,441	—	3,107,312	2,951,660
Total Liabilities	469,388,179	320,231,274	4,647,342	2,932,698	97,928	76,976	181,328	156,076	12,133	92,009	5,084,071	4,031,571	6,047,125	—	205,378	153,978
Investments	5,418,719	—	58,574,915	58,574,915	—	—	—	—	—	—	—	40	—	—	—	—
Revenue	403,524,220	271,008,877	2,216,175	5,929,964	38,424	41,772	38,424	41,772	92,148	105,303	—	—	—	—	193,999	208,915
Profit before Taxation	70,106,041	56,412,378	1,869,123	4,791,786	(33,307)	(28,506)	7,518	11,455	(402,500)	(373,008)	(5,322,275)	(507,665)	(13,863,967)	—	167,630	182,303
Provision for Taxation	18,778,930	20,176,269	792,198	1,671,806	11,418	13,000	11,412	13,000	(82,483)	324,855	—	—	—	—	63,377	65,000
Profit After Tax	51,327,111	36,236,109	1,076,925	3,119,980	(44,725)	(41,506)	(3,894)	(1,545)	(320,017)	(697,863)	(5,322,275)	(507,665)	(13,863,967)	—	104,253	117,303
Proposed Dividend	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

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

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

1	Name of the Subsidiary	Infinity.com Financial Securities Limited	Pioneer Wealth Management Services Limited	Pioneer Money Management Limited	Pioneer Investment Advisory Services Limited	Pioneer Commodity Intermediaries Pvt. Limited	PINC Fund Advisors LLC	Pioneer Fundinvest Pvt. Limited	Pioneer International (Singapore) Pte. Limited
2	Financial Year of the Subsidiary ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
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	26.07.2010
4	Holding Company's interest No. of Equity Shares	18,500,000 Equity shares of face value of ₹ 10 each fully paid up and 6,00,000 Redeemable Preference shares of face value of ₹ 100 each fully paid up	6,990,000 Equity shares of face value of ₹ 10 each fully paid up	3,000,000 Equity shares of face value of ₹ 10 each fully paid up	50,000 Equity shares of face value of ₹ 10 each fully paid up	1,600,000 Equity shares of face value of ₹ 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 ₹ 100 each fully paid up	300,000 Ordinary shares of face value of S\$1 each fully Paid up
	- Extent of Holding	100%	100%	100%	100%	100%	100%	100%	100%
5	The net aggregate amount of subsidiary's Profits/ (Losses) so far as it concerns the members of the Holding Company								

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

Name of the Subsidiary	Infinity.com Financial Securities Limited	Pioneer Wealth Management Services Limited	Pioneer Money Management Limited	Pioneer Investment Advisory Services Limited	Pioneer Commodity Intermediaries Pvt. Limited	PINC Fund Advisors LLC	Pioneer Fundinvest Pvt. Limited	Pioneer International (Singapore) Pte. Limited
(a) Not dealt with in the Holding Company's Accounts								
i) For the Financial Year ended 31.03.11 (₹)	51,327,111	1,076,925	(44,725)	(3,894)	(320,017)	(5,322,275)	104,253	(13,863,967)
ii) For the Financial Year ended 31.03.10 (₹)	36,236,109	3,119,980	(41,506)	(1,545)	(697,863)	(507,665)	117,303	—
(b) Dealt with in the Holding Company's Accounts								
i) For the Financial Year ended 31.03.11	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) For the Financial Year ended 31.03.10	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## **CONSOLIDATED FINANCIAL STATEMENTS**

## CONSOLIDATED AUDITORS' REPORT

TO,  
THE BOARD OF DIRECTORS OF PIONEER INVESTCORP LIMITED

1. We have audited the attached Consolidated Balance Sheet of PIONEER INVESTCORP LIMITED as at 31st March, 2011 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 ("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) and PINC International (Singapore) Pte. Limited (incorporated in Singapore), we did not carry out the audit. These financial statements have been audited/reviewed by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of these subsidiary is based solely on the reports of other auditors. The financial statements of the said subsidiaries reflect total assets of ₹ 22,40,169 (previous year ₹ 42,50,919) as at 31st March 2011 and total revenues of ₹ Nil (previous year ₹ Nil) for the year ended 31st March 2011.
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, 2011;
    - (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, 27<sup>th</sup> May 2011

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011.

SOURCES OF FUNDS	Schedule No.	₹	As at 31.03.2011 ₹	As at 31.03.2010 ₹
Share Capital	1	128,946,972		128,278,222
Reserves and Surplus	2	1,004,269,562		845,619,100
			1,133,216,534	973,897,322
Secured Loans	3		659,952,839	940,877,682
Deferred Tax Liability			10,877,321	11,632,426
			<u>1,804,046,694</u>	<u>1,926,407,430</u>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets:</b>	4			
Gross Block		191,542,527		180,482,267
Less: Depreciation		64,721,781		40,607,837
Net Block		126,820,746		139,874,430
Capital Work in progress		380,838,357		115,511,075
			507,659,103	255,385,505
Investments	5		67,729,378	63,310,699
<b>Current Assets, Loans and Advances :</b>	6			
Closing Stock		43,532,426		823,354,259
Sundry Debtors		1,165,606,114		733,678,344
Cash and Bank Balances		186,800,546		164,725,962
Loans and Advances		300,169,535		262,734,010
		<u>1,696,108,621</u>		<u>1,984,492,576</u>
<b>Less: Current Liabilities and Provisions :</b>	7			
Current Liabilities		294,699,383		218,741,653
Provisions		172,846,085		158,246,202
		<u>467,545,468</u>		<u>376,987,855</u>
<b>Net Current Assets</b>			1,228,563,153	1,607,504,720
<b>Miscellaneous Expenses</b>				
Preliminary Expenditure (to the extent not written off)			1,300	81,256
Deferred Expenditure (to the extent not written off)			93,760	125,250
			<u>1,804,046,694</u>	<u>1,926,407,430</u>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>	12			

As per our report of even dated attached  
For Jayesh Dadia & Associates

Firm Reg. No. 121142W

Chartered Accountants

By the hand of

**G.M.Gandhi**  
Managing Director

**C.C.Dalal**  
Director

**A.B.Desai**  
Director

**C.M.Maniar**  
Director

**Nishit Dave**  
Partner  
M.No. : 120073  
Mumbai, 27th May 2011

**Rakesh Bhatia**  
CFO

**A.J.Chandra**  
Company Secretary

Mumbai, 27th May 2011

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

	Schedule No.	1st April, 2010 to 31st March, 2011 ₹	1st April, 2009 to 31st March, 2010 ₹
<b>INCOME</b>			
Income from Operations	8	864,838,372	636,203,211
Income from Investments		14,703,477	144,002
Other Income	9	13,469,485	8,825,784
<b>Total Income</b>		<u>893,011,334</u>	<u>645,172,997</u>
<b>EXPENDITURE</b>			
Employment Cost	10	287,630,569	194,697,320
Administration and other expenses	11	227,558,196	170,777,497
Interest		88,015,338	44,071,638
Depreciation		24,113,944	20,258,085
<b>Total Expenditure</b>		<u>627,318,047</u>	<u>429,804,540</u>
<b>PROFIT BEFORE TAX</b>		<b>265,693,287</b>	<b>215,368,457</b>
Provision for Taxation		(91,729,000)	(59,541,000)
Deferred Tax		755,104	(3,862,844)
Excess/(Short) Provision for Tax of earlier year		<u>(2,877,298)</u>	<u>(1,248,827)</u>
<b>NET PROFIT BEFORE APPROPRIATIONS</b>		<b>171,842,093</b>	<b>150,715,786</b>
Balance brought forward from previous year		216,286,581	109,847,046
Less: Proposed Dividend		12,339,083	12,242,733
Less: Dividend Distribution Tax		2,001,871	2,033,518
Less: Transferred to General Reserve		50,000,000	30,000,000
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<u>323,787,720</u>	<u>216,286,581</u>
Earning Per Share (See note 19)			
Basic/Diluted		14.00	12.42
Face Value of Share		10.00	10.00

### SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

12

As per our report of even dated attached

**For Jayesh Dadia & Associates**

Firm Reg. No. 121142W

Chartered Accountants

By the hand of

**G.M.Gandhi**  
Managing Director

**C.C.Dalal**  
Director

**A.B.Desai**  
Director

**C.M.Maniar**  
Director

**Nishit Dave**

Partner

M.No. : 120073

Mumbai, 27th May 2011

**Rakesh Bhatia**  
CFO

**A.J.Chandra**

Company Secretary

Mumbai, 27th May 2011

## SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011.

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
25,000,000 Equity Shares (previous year 25,000,000) of ₹ 10/- each	<u>250,000,000</u>	<u>250,000,000</u>
<b>Issued, Subscribed and Paid-up</b>		
12,296,908 (12,230,033) Equity Shares of ₹ 10/- each	122,969,080	122,300,330
Add :Amount paid up on Shares Forfeited	<u>5,977,892</u>	<u>5,977,892</u>
	<u>128,946,972</u>	<u>128,278,222</u>
Of the above:		
66,875 (Previous Year 200,200) equity shares of ₹ 10/- each were allotted pursuant to ESOP Scheme' 2006 and 2007		
<b>Schedule 2</b>		
<b>RESERVES AND SURPLUS</b>		
General Reserve	263,828,549	233,828,549
Add: Transferred from Profit & Loss Account	<u>50,000,000</u>	<u>30,000,000</u>
	<b>313,828,549</b>	<b>263,828,549</b>
Share Premium Account	111,192,453	108,881,550
Employees Stock Options	1,442,071	1,897,324
Capital Reserve	135,132,166	135,132,166
Capital (Amalgamation) Reserve Account	119,483,021	119,483,021
Foreign Exchange Currency Translation Reserve Account	(596,417)	109,909
Profit and Loss Account	<u>323,787,720</u>	<u>216,286,581</u>
	<u>1,004,269,562</u>	<u>845,619,100</u>
<b>Schedule 3</b>		
<b>SECURED LOANS</b>		
From Banks		
-Term Loans	88,735,633	70,236,338
-Cash Credit	352,541,542	864,631,079
-Over Draft	4,500,000	4,500,000
From Other Financial Institutions-Term Loans		
	<u>214,175,664</u>	<u>1,510,265</u>
	<u>659,952,839</u>	<u>940,877,682</u>

**Notes:**

1. Term Loans are secured by first charge on mortgage of office premises, all moveable capital assets and hypothecation of vehicles.
2. Cash Credit facilities are secured against pledge of Government Securities and Bonds.
3. Over draft facility is secured against pledge of Fixed Deposits.



**SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011.**

**Schedule 4**

**FIXED ASSETS**

Particulars of Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2010	Additions during the year	Deductions during the year	As on 31.03.2011	Upto 01.04.2010	For the year	Deductions/ Adjustments	Upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Office Premises	14,328,820	—	—	14,328,820	2,780,818	233,560	—	3,014,378	11,314,442	11,548,002
Leasehold Office Premises	16,726,567	—	—	16,726,567	2,273,227	3,345,313	—	5,618,540	11,108,027	14,453,340
Office Equipments	77,905,482	5,384,120	—	83,289,602	18,971,486	11,087,791	—	30,059,277	53,230,325	58,933,996
Furniture & Fixtures	36,914,049	1,780,213	—	38,694,262	5,937,232	2,698,845	—	8,636,077	30,058,185	30,976,817
Vehicles	7,719,182	1,151,121	—	8,870,303	2,651,502	1,040,825	—	3,692,327	5,177,976	5,067,680
Software	25,927,436	2,744,806	—	28,672,242	7,032,841	5,707,610	—	12,740,451	15,931,791	18,894,595
License Fees	960,731	—	—	960,731	960,731	—	—	960,731	—	—
<b>Total</b>	<b>180,482,267</b>	<b>11,060,260</b>	—	<b>191,542,527</b>	<b>40,607,837</b>	<b>24,113,944</b>	—	<b>64,721,781</b>	<b>126,820,746</b>	<b>139,874,430</b>
Previous Year	156,384,575	27,231,223	3,133,531	180,482,267	21,915,194	20,258,085	1,565,440	40,607,837	139,874,430	134,469,381
Capital Work-in-progress*									380,838,357	115,511,075

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

## SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011.

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>Schedule 5</b>		
<b>INVESTMENTS (Long Term, at cost)</b>		
<b>(A) Trade Investments in Associate Companies (Unquoted)</b>		
Pioneer Insurance & Reinsurance Brokers Pvt. Ltd. (250,000 fully paid Equity Shares (previous year 250,000) of ₹ 10/- each)	2,500,000	2,500,000
PINC India Opportunities Fund (incorporated in Mauritius) (Nil(previous year 1.01) fully paid Ordinary share of USD 1)	—	40
<b>Total (A)</b>	<b>2,500,000</b>	<b>2,500,040</b>
<b>(B) Trade Investments in Other Companies</b>		
<b>Quoted</b>		
Arihant Foundations & Housing Ltd. (2,645 fully paid Equity Shares (previous year 2,645) of ₹ 10/- each) (Market Value as on 31st March, 2011 is ₹ 165,445 (previous year ₹ 331,551))	1,235,744	1,235,744
Lok Housing & Constructions Ltd. (25,000 fully paid Equity Shares (previous year Nil) of ₹ 10/- each) (Market Value as on 31st March, 2011 is ₹ 6,03,750 (previous year ₹ Nil))	874,879	—
Rids Securities Ltd. (28,044 fully paid Equity Shares (previous year Nil) of ₹ 10/- each) (Market Value as on 31st March, 2011 is ₹ 13,44,710 (previous year ₹ Nil))	1,252,616	—
Seax Global Venture Ltd. (100,000 fully paid Equity Shares (previous year Nil) of ₹ 10/- each) (Market Value as on 31st March, 2011 is ₹ 12,45,000 (previous year ₹ Nil))	2,110,000	—
Solid Stone Company Ltd. (24,948 fully paid Equity Shares (previous year Nil) of ₹ 10/- each) (Market Value as on 31st March, 2011 is ₹ 11,95,009 (previous year ₹ Nil))	1,180,645	—
Crompton Greaves Ltd. (2 fully paid Equity Shares (previous year Nil) of ₹ 10/- each) (Market Value as on 31st March, 2011 is ₹ 546 (previous year ₹ Nil))	579	—
(Total Market Value as on 31st March, 2011 is ₹ 4,554,460 (previous year ₹ 331,551))		
<b>Unquoted</b>		
Bill Forge Pvt. Ltd. (3,300 fully paid Equity Shares (previous year 3,300) of ₹ 10/- each)	16,516,500	16,516,500
Sansera Engineering Pvt. Ltd. (265 fully paid Equity Shares (previous year 265) of ₹ 100/- each)	42,058,415	42,058,415
<b>Total (B)</b>	<b>65,229,378</b>	<b>59,810,659</b>
<b>(C) Investments in Mutual Funds</b>		
Axis Equity Fund Growth. (Nil units (previous year 100,000) of ₹ 10/- each (Mkt Value as on 31st March, 2011 is ₹ Nil (previous year ₹ 1,039,000))	—	1,000,000
<b>Total (C)</b>	—	<b>1,000,000</b>
<b>Total Investments (A + B + C)</b>	<b>67,729,378</b>	<b>63,310,699</b>

## SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011.

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>Schedule 6</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Current Assets:</b>		
Closing Stock of Government Security Papers/Bonds* (as certified by the Management and at lower of cost or market value)	43,532,426	823,354,259
*(Government Securities Papers/Bonds are pledged with Secured Lenders)		
<b>Sundry Debtors: ** (Unsecured and considered good)</b>		
Outstanding for more than six months	8,982,478	3,598,041
Other Debts	1,156,623,636	730,080,303
	1,165,606,114	733,678,344
** (Debtors includes ₹ 7,137.95 lacs (previous year ₹ 6,013.86 lacs) on account of sale of Securities and Bonds)		
<b>Cash and Bank Balances :</b>		
Cash and Cheques on hand	638,581	1,021,326
Balances with Scheduled Banks:		
in Current Account	73,366,814	70,912,729
in Fixed Deposit Account***	106,437,328	88,393,913
Accrued interest on Fixed Deposits	6,357,823	4,397,994
	186,800,546	164,725,962
*** Fixed Deposit amounting to ₹ 831.17 lacs (previous year ₹ 716.88 lacs) are under lien with Banks.		
<b>Loans and Advances : (Unsecured and considered good)</b>		
Advances recoverable in cash or in kind for value to be received	97,101,416	62,210,007
Security Deposits	56,232,965	58,902,480
Service Tax	543,539	229,291
Fringe Benefit Tax	1,527,728	3,358,248
Advance Tax	144,763,888	138,033,984
	300,169,535	262,734,010
	1,696,108,621	1,984,492,575
<b>Schedule 7</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities:</b>		
Sundry Creditors*(Due to other than micro and small enterprises)	272,961,345	197,117,890
Advance from Client	5,100,000	5,000,000
Other Liabilities	1,400,000	1,649,048
Dividend Payable	12,296,908	12,242,733
Dividend Distribution Tax Payable	1,994,866	2,033,518
Unclaimed Dividends	946,264	698,464
	294,699,383	218,741,653
* (Creditors includes ₹ 1,114.73 lacs (previous year ₹ 856.67 lacs) on account of purchase of Securities and Bonds)		
<b>Provisions:</b>		
Provision for Taxation	152,767,781	137,168,437
Provision for Gratuity	17,875,575	15,633,752
Provision for Leave encashment on retirement	672,729	672,729
Provision for Fringe Benefit Tax	1,530,000	4,771,284
	172,846,085	158,246,202
	467,545,468	376,987,855

**SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.**

	1st April, 2010 to 31st March, 2011 ₹	1st April, 2009 to 31st March, 2010 ₹
<b>Schedule 8</b>		
<b>INCOME FROM OPERATIONS</b>		
Income from Syndication Services/Securities/Commodities	757,010,975	515,353,757
Income from Portfolio Management Services	1,774,920	5,534,162
Income from Brokerage and Depository Services	106,052,477	115,315,292
	<u>864,838,372</u>	<u>636,203,211</u>
<b>Schedule 9</b>		
<b>OTHER INCOME</b>		
Interest Income	10,477,203	6,877,036
Miscellaneous Income	2,858,887	1,572,707
Dividend received	133,395	61,250
Profit on sale of Fixed Assets	—	314,791
	<u>13,469,485</u>	<u>8,825,784</u>
<b>Schedule 10</b>		
<b>EMPLOYMENT COST</b>		
Salaries and Bonus	268,468,191	176,831,162
Gratuity	2,758,219	4,603,755
Employees Stock Compensation Expense	—	579,423
Employer's Contribution to Provident Fund	9,340,929	6,842,793
Staff Welfare	7,063,230	5,840,187
	<u>287,630,569</u>	<u>194,697,320</u>
<b>Schedule 11</b>		
<b>ADMINISTRATION AND OTHER EXPENSES</b>		
Rent, Rates and Taxes	48,245,618	42,774,925
Power and Fuel	4,117,008	3,650,249
Bank Commission and Charges	8,332,884	9,586,746
Business Promotion Expenses	6,938,168	7,688,412
Computer and Software Expenses	3,322,267	1,395,638
Membership and Subscription	7,982,511	6,535,035
Repairs & Maintenance	4,611,002	2,739,673
Office Expenses	4,623,533	3,242,639
Postage, Telex and Telephones	14,404,334	11,717,614
Printing and Stationery	2,662,561	2,539,985
Directors' Sitting Fees	358,295	371,185
Travelling and Conveyance	17,976,020	15,205,794
Motor Car Expenses	22,512,119	17,234,655
Legal and Professional Charges	61,381,837	25,076,932
Donation	2,514,000	1,140,000
Stock Exchange Charges	1,843,996	1,352,215
Advance written off		
Auditors' Remuneration:		
Audit Fees	655,150	654,120
Tax Audit Fees	50,000	50,000
Certification work	120,000	90,000
	<u>825,150</u>	<u>794,120</u>
Preliminary Expenses w/off	123,311	79,953
Amortisation of Share Issue Expenses	31,490	32,360
Miscellaneous Expenses	14,752,091	17,619,367
	<u>227,558,196</u>	<u>170,777,497</u>

## SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

### 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, 2011 and Profit and Loss Account for the year ended March 31, 2011 of Pioneer Investcorp Limited ('the Company') and its subsidiaries ('companies and / or subsidiaries'), collectively referred to as 'Group', have been consolidated as per principles of consolidation enunciated in Accounting Standard (AS) 21- 'Consolidated Financial Statements' issued by the Council of The Institute of Chartered Accountants of India.

###### b) Principles of Preparation

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

###### c) List of Subsidiaries Consolidated

The individual Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended March 31, 2011 of following subsidiaries are included in consolidation.

Pioneer Wealth Management Services Limited

Pioneer Money Management Limited

Pioneer Investment Advisory Services Limited

Pioneer Commodity Intermediaries Private Limited

Infinity.com Financial Securities Limited

PINC Fund Advisors LLC (incorporated in Mauritius)

Pioneer Fundinvest Pvt. Ltd.

PINC International (Singapore) Pte. Ltd. (incorporated in Singapore)

##### 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.

## SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2011.

### b) Option Contract

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

### 6. Borrowing Cost

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

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

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

### 7. Investments

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

### 8. Revenue Recognition

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

### 9. Foreign Exchange Transactions

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

### 10. Retirement Benefits

#### a) Defined Contribution Plan

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

#### b) Defined Benefit Plan

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

## SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2011.

### 11. Deferred Employee Stock Compensation

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

### 12. Miscellaneous Expenditure

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

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

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

### 14. Taxes on Income

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

### 15. Impairment of Assets

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

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

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

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

## 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' 2011
Pioneer Money Management Limited	100	31st March' 2011
Pioneer Investment Advisory Services Limited	100	31st March' 2011
Pioneer Commodity Intermediaries Private Limited	100	31st March' 2011
Infinity.com Financial Securities Limited	100	31st March' 2011
PINC Fund Advisors LLC	100	31st March' 2011
Pioneer Fundinvest Private Limited	100	31st March' 2011
PINC International (Singapore) Pte. Ltd.	100	31st March' 2011

## SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2011.

	Year Ended 31/03/2011 ₹	Year Ended 31/03/2010 ₹
<b>17. Contingent Liabilities on account of:</b>		
(a) Counter guarantees given to banks	<b>300,000,000</b>	200,000,000
(b) Guarantees issued by Banks, in the books of subsidiaries	<b>127,800,000</b>	117,800,000
Against pledge of Fixed Deposit Receipts	<b>76,066,955</b>	66,687,988

	Year Ended 31/03/2011 ₹	Year Ended 31/03/2010 ₹
<b>18. Income Earned in Foreign Currency</b>		
Fee Income	<b>225,857</b>	45,500,000
Other Income	<b>124,900</b>	160,180
<b>Expenses Incurred in Foreign Currency</b>		
Travelling Expenses	<b>772,677</b>	658,098
Business Promotion Expenses	—	877,788
Professional Fees paid	<b>7,853,907</b>	—
Subscription Charges	—	293,145

	Year Ended 31/03/2011	Year Ended 31/03/2010
<b>19. Earning per Share</b>		
Profit as per Profit & Loss Account (A) (₹)	<b>171,842,093</b>	150,715,786
Weighted Average Number of Equity Share used in Computing Basic/Diluted Earnings per Share (B) (No. of Shares)	<b>12,275,854</b>	12,134,145
Earning Per Share (₹) Basic/Diluted - (A/B)	<b>14.00</b>	12.42

### 20. Related Party Disclosures

Persons constituting group within the definition of "group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

#### Category I : Key Management Personnel

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



## SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2011.

### Category - II - Entities Under Common Control

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

### Category III : Associate Concern

- 1) Associated Instruments & Services

Details of related party transaction carried out during the year ended 31st March, 2011

Nature of Transactions ((Received)/Paid)	2010-2011 ₹	2009-2010 ₹
<b>Details of transactions with key management personnels (referred as category-I)</b>		
Remuneration	21,366,680	9,318,648
Sale of Securities	—	(14,584,820)
Purchase of Securities	—	493,442
Brokerage earned on purchase/sale of securities	(5,288)	(44,536)
Brokerage earned on F&O transactions	—	(2,614)
Closing Balances (Debit/(Credit))	430	—
<b>Details of transactions with entities under common control (referred as category-II)</b>		
Sale of Securities	(356,451,973)	(67,991,938)
Purchase of Securities	399,532,918	47,939,979
Brokerage earned on purchase/sale of securities	(104,605)	(84,435)
Brokerage earned on F&O transactions	(901,975)	(52,125)
Closing Balances (Debit/(Credit))	(6,321,091)	10,053,774
Income from trading in Government Securities	—	(44,647,500)
Reimbursement of Expenses	—	(9,559,592)

## SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2011.

### 21. Segment Reporting

	Advisory & Merchant Banking Fees ₹	Income From Coal and Energy Resources ₹	Income From Securities/ Investments ₹	Equity Brokerage and related Income ₹	Total As on 31.03.2011 ₹
<b>Segment Revenue</b>	<b>608,251,883</b>	<b>47,500,000</b>	<b>117,737,489</b>	<b>111,839,391</b>	<b>885,328,763</b>
	<i>239,423,111</i>	—	<i>276,074,648</i>	<i>120,849,454</i>	<i>636,347,213</i>
Add: Unallocated Revenue	—	—	—	—	<b>7,682,571</b>
	—	—	—	—	<i>8,825,784</i>
<b>Total Revenue</b>	<b>608,251,883</b>	<b>47,500,000</b>	<b>117,737,489</b>	<b>111,839,391</b>	<b>893,011,334</b>
	<i>239,423,111</i>	—	<i>276,074,648</i>	<i>120,849,454</i>	<i>645,172,997</i>
<b>Segment Result before Tax</b>	<b>485,324,147</b>	<b>25,791,797</b>	<b>31,937,055</b>	<b>95,823,138</b>	<b>638,876,137</b>
	<i>172,064,721</i>	—	<i>208,248,961</i>	<i>108,553,687</i>	<i>488,867,369</i>
Add: Unallocated Income/ (Expenses)(net)	—	—	—	—	<b>(373,182,851)</b>
	—	—	—	—	<i>(273,498,912)</i>
<b>Profit before Tax</b>	—	—	—	—	<b>265,693,287</b>
	—	—	—	—	<i>215,368,457</i>
<b>Interest and Finance Charges</b>	—	—	—	—	—
	—	—	—	—	—
<b>Provision for Tax</b>	—	—	—	—	<b>(90,973,896)</b>
	—	—	—	—	<i>(63,403,844)</i>
<b>Provision for Tax for earlier years</b>	—	—	—	—	<b>(2,877,298)</b>
	—	—	—	—	<i>(1,248,827)</i>
<b>Net Profit</b>	—	—	—	—	<b>171,842,093</b>
	—	—	—	—	<i>150,715,785</i>
<b>Segment Assets</b>	<b>404,138,761</b>	<b>47,153,250</b>	<b>768,815,432</b>	<b>178,875,049</b>	<b>1,398,982,492</b>
	<i>97,059,756</i>	—	<i>1,488,127,702</i>	<i>70,524,658</i>	<i>1,655,712,116</i>
Add: Unallocated Assets	—	—	—	—	<b>872,514,609</b>
	—	—	—	—	<i>647,683,168</i>
<b>Total Assets</b>	—	—	—	—	<b>2,271,497,101</b>
	—	—	—	—	<i>2,303,395,284</i>
<b>Segment Liabilities</b>	<b>8,264,148</b>	—	<b>176,812,915</b>	<b>79,542,719</b>	<b>264,619,782</b>
	<i>5,000,000</i>	—	<i>816,997,911</i>	<i>125,384,211</i>	<i>947,382,122</i>
Add: Unallocated Liabilities	—	—	—	—	<b>873,755,846</b>
	—	—	—	—	<i>382,115,842</i>
<b>Total liabilities</b>	—	—	—	—	<b>1,138,375,628</b>
	—	—	—	—	<i>1,329,497,964</i>
<b>Capital Expenditure</b>	—	—	—	—	<b>391,898,617</b>
	—	—	—	—	<i>27,231,223</i>
<b>Depreciation</b>	—	—	—	—	—
	—	—	—	—	—
<b>Unallocated Depreciation</b>	—	—	—	—	<b>24,113,944</b>
	—	—	—	—	<i>20,258,085</i>
<b>Total Depreciation</b>	—	—	—	—	<b>24,113,944</b>
	—	—	—	—	<i>20,258,085</i>

## SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2011.

### 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 31/03/2011 ₹	Year Ended 31/03/2010 ₹
Deferred Tax Liability			
On account of Depreciation difference	(1)	17,925,573	17,789,984
Deferred Tax Asset			
On account of 43B disallowances & b/f losses	(2)	7,048,251	6,157,558
Net Deferred Tax Liability/(Asset)	(1-2)	10,877,322	11,632,426

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

By the hand of

**G.M.Gandhi**  
Managing Director

**C.C.Dalal**  
Director

**A.B.Desai**  
Director

**C.M.Maniar**  
Director

**Nishit Dave**

Partner

M.No. : 120073

Mumbai, 27th May 2011

**Rakesh Bhatia**  
CFO

**A.J.Chandra**  
Company Secretary

Mumbai, 27th May 2011

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011.

	2010 - 2011	2009 - 2010
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary Items	<b>265,693,287</b>	215,368,457
Adjustment for :		
Depreciation & Obsolescence	<b>24,113,944</b>	20,258,085
Prior Period item	—	—
Employee Stock Compensation Expense	<b>(132,300)</b>	579,423
Profit on Sale of Investments	<b>(14,703,477)</b>	(144,002)
(Profit)/Loss on Sale of Fixed Assets	—	118,091
Preliminary Expenses	<b>111,445</b>	112,313
Interest / Dividend	<b>(10,610,598)</b>	<u>(6,938,286)</u>
	<b>(1,220,986)</b>	13,985,624
Operating Profit before working capital changes	<b>264,472,301</b>	229,354,080
Adjustment for :		
Trade and other receivables	<b>315,357,921</b>	(1,050,986,121)
Trade and other payables	<b>(1,171,386)</b>	<u>68,534,700</u>
	<b>314,186,534</b>	(982,451,421)
Direct taxes paid	<b>(7,776,681)</b>	<u>(21,222,642)</u>
<b>Net cash from Operating Activities</b>	<b>570,882,154</b>	(774,319,983)
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(276,387,542)</b>	(142,742,298)
Sale of Fixed Assets	—	1,450,000
Sale of Investment	<b>72,444,459</b>	170,144,002
Purchase of Investment	<b>(62,159,661)</b>	(171,000,000)
Interest/Dividend received	<b>10,610,598</b>	6,938,286
<b>Net Cash used in Investing Activities</b>	<b>(255,492,146)</b>	<u>(135,210,010)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Term loans	<b>231,164,694</b>	1,140,089
Cash Credit	<b>(512,089,537)</b>	775,426,647
Over Draft	—	4,500,000
Dividend	<b>(12,339,083)</b>	(12,242,733)
Dividend Distribution Tax	<b>(2,001,871)</b>	(2,033,518)
Share Warrant Application Money	—	(94,500,000)
Share Issue Expenses	—	(70,500)
Capital reserve	—	94,500,000
Share Premium	<b>2,310,903</b>	4,304,300
Employee Stock Option Reserve Reversal on issue	<b>(322,954)</b>	(1,891,890)
Share Capital Issued	<b>668,750</b>	2,002,000
Foreign Exchange Currency Translation Reserve Account	<b>(706,326)</b>	<u>(808,034)</u>
<b>Net Cash used in Financing Activities</b>	<b>(293,315,424)</b>	770,326,361
<b>Net Increase in cash and cash equivalents</b>	<b>22,074,584</b>	(139,203,632)
<b>Cash and cash equivalents at beginning of the year</b>	<b>164,725,962</b>	303,929,594
<b>Cash and cash equivalents at end of the year</b>	<b>186,800,546</b>	164,725,962

**G.M.Gandhi**  
Managing Director

**C.C.Dalal**  
Director

**A.B.Desai**  
Director

**C.M.Maniar**  
Director

**Rakesh Bhatia**  
CFO

**A.J.Chandra**  
Company Secretary

Mumbai, 27th May 2011

**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 SIXTH ANNUAL GENERAL MEETING of the Company at Kilchand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai 400 020 on Thursday, 28th July, 2011 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 Sixth Annual General Meeting of the Company to be held on Thursday, 28th July, 2011 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 \_\_\_\_\_ 2011.

Affix  
Revenue  
Stamp

Signature \_\_\_\_\_

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

**PINC**

bright thinking