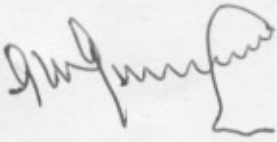


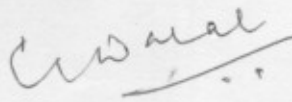


**Compliance of Clause 31 (a) of the Listing Agreement**

**FORM A**

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Pioneer Investcorp Ltd.
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013.
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Repetitive
5.	To be signed by-	
	<input type="checkbox"/> Gaurang Gandhi Managing Director	
	<input type="checkbox"/> Rakesh Bhatia CFO	
	<input type="checkbox"/> For Jayesh Dadia & Associates Auditor of the company Nishit Dave Partner	
	<input type="checkbox"/> CC Dalal Audit Committee Chairman	



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

**Mr. G. M. Gandhi**  
Managing Director

**Mr. C. M. Maniar**  
Non-Executive Director

**Mr. C. C. Dalal**  
Non-Executive Director

**Mr. N. A. Rathod**  
Non-Executive Director

**Mr. A. B. Desai**  
Non-Executive Director

### MANAGEMENT PERSONNEL

**Mr. R. M. Bhatia**  
Chief Financial Officer

**Mr. A. J. Chandra**  
Company Secretary

### AUDITORS

**M/s. Jayesh Dadia & Associates**  
Chartered Accountants

### REGISTERED OFFICE

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

### REGISTRARS & SHARE TRANSFER AGENTS

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

Members may please note that e-copy of Annual Report 2012-13 would be sent to those shareholders who have requested to receive an e-copy of Annual Report as part of green initiative undertaken by the Company and the same would also be available on Company's Website [www.pinc.co.in](http://www.pinc.co.in). To promote the green initiative undertaken by the Company, members are requested to register/notify to the Registrars & Share Transfer Agents of the Company, their email id's for receiving an e-copy of Annual Report in future.

## NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of Pioneer Investcorp Limited will be held on Monday, 12th August, 2013, 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, 2013 and the Balance Sheet as at that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. C. C. Dalal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. N. A. Rathod, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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:

5. To Re-appoint Mr. Gaurang Gandhi as Managing Director of the Company with effect from 1st October, 2013 and to fix his Remuneration.

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

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or reenactment thereof for the time being in force) and as approved and recommended by the Board of Directors, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Gaurang Gandhi, as Managing Director of the Company, for a further period of 3 (three) years with effect from 1st October, 2013 on the terms & conditions including remuneration as are set out hereunder:

1. Period: 3 (three) years with effect from 1st October, 2013. Either party to the Contract of Service shall be entitled to terminate the Agreement by giving not less than three months' prior notice in writing to the other without assigning any reason thereto.

Either party shall also be entitled to terminate the Agreement forthwith by giving notice in writing to the other, if the other party commits a breach of any of the terms and conditions of the Contract of Service or is adjudicated as insolvent or commits an act of insolvency or goes into liquidation voluntary or otherwise or if Receiver is appointed of any of its assets or property of the Company or the Company enters into a compromise or arrangement with its general body of its creditors.

2. Remuneration :

a) Salary including following perquisites upto : Rs.10,00,000/- p.m. ;

- i) Medical Reimbursement - all medical expenses incurred for the Managing Director and his family shall be reimbursed;
- ii) Leave Travel Concession -The Managing Director and his family shall be entitled to Leave Travel Allowance as per Company policy;
- iii) Contribution to Provident Fund at a maximum rate of 12%, however the same shall not exceed the non taxable limit under the Income Tax Act, 1961;

- b) Other terms are as follows:
- i) Gratuity - Gratuity equal to the half month's salary for each completed year of service;
  - ii) Motor Car - Provision of Motor car with chauffeur;
  - iii) Club Fees - Fees of Clubs subject to a maximum of two clubs will be borne by the Company; however Admission and Life Membership fees will not be paid;
  - iv) The Managing Director shall be entitled to reimbursement of all actual expenses including travel, business promotion expenses or other out of pocket expenses including expenditure in foreign currency incurred by him for and on behalf of the Company, in furtherance of its business and objects; and
  - v) The Managing Director shall not be entitled to receive any fees for attending meetings of the Board / Committee.
- c) Commission at the rate of not exceeding 1% of the Company's net profits for each Financial Year or such amount for each Financial Year as may be decided by the Board;

RESOLVED FURTHER THAT the terms and conditions of the above appointment may be amended and varied from time to time by the Board of Directors as it may in its discretion deem fit or any amendments made hereafter in this regard and as may be agreed to by and between the Company and the Managing Director."

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any Financial Year during the tenure of the Managing Director, he would be entitled for the minimum remuneration, perquisites / benefits in accordance with Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion, deem necessary or desirable in this regard, for the purpose of giving effect to this resolution."

By order of the Board,

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

Dated: 5th July, 2013

**Amit Chandra**  
Company Secretary

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself on a poll and a proxy need not be a member. A proxy in order to be effective must be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Transfer Books in respect of the Equity Shares of the Company will remain closed from 7th August, 2013, to 12th August, 2013, (both days inclusive).
3. Members are hereby informed that dividends which remain unclaimed / unencashed over a period of 7 years have to be transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Sec. 205(A) & 205(C) of the Companies Act, 1956.
4. 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	31st August, 2006	Final Dividend 2005-06	1st October, 2013.
2	20th September, 2007	Dividend 2006-07	20th October, 2014.
3	21st August, 2008	Dividend 2007-08	20th September, 2015.
4	11th August, 2010	Dividend 2009-10	10th September, 2017.
5	28th July, 2011	Dividend 2010-11	27th August, 2018
6	07th September 2012	Dividend 2011-12	07th October, 2019

The unclaimed Interim Dividend for 2005-2006 has been transferred to Investor Education & Protection Fund of the Central Government on 1st March 2013.

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.

5. 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.
6. Members desiring any information on the Accounts are requested to write to the Company at least 10 days prior to the date of the Meeting to enable the Management to keep the information ready.
7. Members are requested to bring their copy of the Annual Report to the Meeting.
8. Explanatory Statement pursuant to Section 173(2) of the Companies act, 1956 in respect of Special Business as given in the Notice is annexed hereto.

## ANNEXURE TO NOTICE

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

#### ITEM NO. 5

The term of appointment of Mr. Gaurang Gandhi as Managing Director of the Company will expire on 30th September, 2013. Mr. Gaurang Gandhi is the promoter of the Company and has contributed his experience and knowledge for the growth of the Company. He has vast expertise in the field of financial services.

The Board of Directors of the Company at its Meeting held on 5th July, 2013 has pursuant to the recommendation of the Remuneration Committee and subject to the approval of the Members, approved the re-appointment and payment of remuneration to Mr. Gaurang Gandhi as set out in the resolution mentioned above.

The Managing Director so long as he functions as such shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof;

The said re-appointment of Mr. Gaurang Gandhi requires the approval of the Shareholders, by a Special Resolution pursuant to Section 309 read with Schedule XIII to the Companies Act, 1956.

The additional information as required to be disclosed under Clause 49 of the Listing Agreement, in relation to Mr. Gaurang Gandhi, as Managing Director is as follows:

Mr. Gaurang Gandhi, Promoter of the Company, age 58 years, is a Chartered Accountant. He has over 35 years of experience in financial sectors. He is instrumental and played a leading and active role in the growth of PINC Group.



As on date, Mr. Gaurang Gandhi is a Director and Committee Member in the following companies:

Name of the Company	Designation	Name of the Company	Designation
Pioneer Money Management Ltd. (Subsidiary of Pioneer Investcorp Ltd.)	Director	Siddhi Portfolio Services Pvt. Ltd.	Director
Pioneer Investment Advisory Services Ltd. (Subsidiary of Pioneer Investcorp Ltd.)	Director	Pioneer Fund Advisors Pvt. Ltd.	Director
Pioneer Wealth Management Services Ltd. (Subsidiary of Pioneer Investcorp Ltd.)	Director	Pioneer Insurance & Reinsurance Brokers Pvt. Ltd.	Director
Infinity.Com Financial Securities Ltd. (Subsidiary of Pioneer Investcorp Ltd.)	Director	Pioneer Intermediaries Pvt. Ltd.	Director
Pioneer Commodity Intermediaries Pvt. Ltd. (Subsidiary of Pioneer Investcorp Ltd.)	Director	Sharp point Motors & Automobiles Pvt. Ltd.	Director
PINC Fund Advisors LLC (Subsidiary of Pioneer Investcorp Ltd.)	Director	PINC Energy Resources Pvt. Ltd.	Director
PINC Finsec Services Ltd.	Director	L. Gordhandas Co. & Clearing Agent Pvt. Ltd.	Director
Benefit Realty Pvt. Ltd.	Director	Festive Multitrade Pvt. Ltd.	Director
Symbyosys Integrated Solutions Pvt. Ltd.	Director		

Committee Member

Name of the Company	Name of the Committees
Pioneer Investcorp Ltd.	Audit Committee, Shareholder Grievance Committee, and ESOP Compensation Committee
Infinity.Com Financial Securities Ltd. (Subsidiary of Pioneer Investcorp Ltd.)	Audit Committee

As on date Mr. Gaurang Gandhi, holds 61,61,663 Share in the Company constituting 50.11% of the paid up share capital of the Company.

The Board of Directors accordingly recommends the resolution set out at Item No. 5 of the accompanying Notice.

The particulars set out above may be treated as an Abstract of the terms and conditions of appointment of the Managing Director and Memorandum of interest of Directors pursuant to the provisions of Section 302(2) of the Companies Act, 1956.

None of the Directors other than Mr. Gaurang Gandhi may be considered to be interested or concerned in the said Resolution.

## DIRECTORS' REPORT

### To The Members,

Your Directors have pleasure in presenting their Twenty Eighth Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the year ended 31st March, 2013.

Financial Highlights	2012-2013 (₹ in lakhs)	2011-2012 (₹ in lakhs)
<b>Profit before Tax</b>	<b>355.03</b>	743.71
Less:- Provision for Tax	<b>71.00</b>	320.00
Less: Short provision for tax of earlier year	<b>37.93</b>	222.43
Add :- Deferred Tax Assets	<b>35.94</b>	194.43
<b>Net Profit after Tax</b>	<b>282.04</b>	395.71
Add: Balance Brought Forward from the Previous Financial Year	<b>2313.04</b>	1988.79
Less: Proposed Dividend	—	61.49
Less: Tax on Proposed Dividend	—	9.97
Less: Transfer to General Reserve	—	—
<b>Balance Carried Forward to Balance Sheet</b>	<b>2595.08</b>	2313.04

### Performance Review

After two years of good growth, the Indian economy came under pressure in the Financial Year 2012-13. The Gross Domestic Product (GDP) growth rate fell to 5% during the year, the lowest in a decade. The Indian financial system continued to face a deficit in liquidity through Fiscal Year 2013. Considering the tight liquidity conditions, RBI not only reduced the Cash Reserve Ratio (CRR) from 4.75% to 4.00% in Fiscal Year 2013 but also injected liquidity of approximately INR 1.5 lakh Crore through Open Market Operations (OMO).

The growth of industrial production slide in Fiscal Year 2013 was, mainly due to contraction in mining and electricity generation and slowing growth in manufacturing sectors. Consequently, on a cumulative basis, growth in industrial production decelerated to 0.9 per cent during 2012-13 (April-February) from 3.5 per cent in the corresponding period of the previous year. The composite Purchasing Managers' Index (PMI), which encompasses manufacturing and services, fell to a 17-month low in March 2013. Thus, the most recent indicators suggest that growth in Quarter 4 of 2012-13 would have remained low.

On the demand side, the persisting decline in capital goods production during April 2012 – March 2013 reflects depressed investment conditions. The decrease in corporate sales and weakening consumer confidence suggest that the slowdown could be spreading to consumption spending.

An analysis of corporate performance during Quarter 3 of 2012-13, based on a common sample of 2,473 non-government non-financial companies, indicates that growth in sales as well as profits decelerated significantly. Early results of corporate performance in Quarter 4 indicate continuing reduction in sales though profit margins increased slightly.

The Indian IPO markets in Fiscal Year 2013 remained sluggish with INR 6,177 crores and INR 15,386 crores raised from equity and debt issues till February 2013 compared to INR 10,231 crores and INR 32,172 crores respectively in FY12.

The above Indian economy's sluggish factors affected the Investment Banking business of the Company both in Debt and Equity Segments and affecting both the standalone and consolidated top and bottom line of the Company. Standalone Income from operations for the year under review, reduced to ₹ 2622.11 lakhs as against ₹ 3795.02 lakhs and Profit before tax reduced to ₹ 355.03 lakhs as against ₹ 743.71 lakhs, and also Consolidated Income from Operations reduced to ₹ 4231.68 lakhs as against ₹ 6331.45 lakhs and the Profit before Tax reduced to half ₹ 584.46 lakhs as against ₹ 1065.73 lakhs.

The Company is maintaining its relationship with its existing clientele by providing financial advisory services including Equity, Debt and Bonds placements and dynamically building new relationships in its portfolio of clients to enable the Company to take advantage of future opportunities as and when economic conditions improves.

### **Share Capital**

During the year under review, the Company has not issued any Equity Shares consequently, the Issued, Subscribed and Paid up Equity Share Capital remains ₹ 1229.69 lakhs as at March 31st, 2013.

### **Dividend**

During the year under review, due to a lower net profit and to conserve resources, the Board of Directors of the Company, has decided not to recommend the payment of any dividend for the year ended March 31st, 2013.

### **Subsidiary Companies**

During the year under review, the Company has disposed off its Wholly Owned Subsidiary PINC Energy Resources Pvt. Ltd., therefore the said Subsidiary was not taken into consideration in the consolidated Financial Statement and at the end of the year the Company has seven Wholly Owned Subsidiaries including one overseas subsidiary.

### **Consolidated Financial Statements**

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

### **Directors Responsibility Statement**

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

- i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
- ii) The Directors had selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) The annexed Annual Accounts for the Accounting Year ended on 31st March, 2013, have been prepared on a going concern basis.

### **Management Discussion and Analysis**

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

### **Fixed Deposits**

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

### **Directors**

In accordance with Section 255 and 256 of the Companies Act 1956, and read with Articles 105, 106 and 107 of the Articles of Association of the Company, Mr. C. 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.

In accordance with Clause 49 of the Listing Agreement, brief resumes of both the Directors proposed to be re-appointed, their qualification, experience and the names of the Companies in which they hold directorships, memberships of the board committees, are provided in the Corporate Governance Report forming part of the Annual Report.

### **Auditors and Auditors Report**

M/s. Jayesh Dadia & Associates, Chartered Accountants, and Auditors of the Company, will retire at the conclusion of the ensuing Annual General meeting, and being eligible, offer themselves for reappointment. The Company has received a certificate from the Auditors to the effect that their reappointment if made, would be in accordance with Section 224 (1B) of the Companies Act, 1956. The Board recommends their appointment.

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

### **Particulars of Employees**

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

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

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

The details of Company's foreign exchange earnings and expenditures during the year under review are given in Note no.25 of financial statements.

### **Employee Stock Option Schemes**

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

### **Corporate Governance Report**

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

### **Acknowledgments**

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

On behalf of the Board of Directors

Mumbai  
5th July, 2013.

**G. M. Gandhi**  
Managing Director

**C. C. Dalal**  
Director

## ANNEXURE TO THE DIRECTORS' REPORT

### Employee Stock Option Scheme

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

The Disclosures of all these Schemes, as on 31st March, 2013, in terms of Clause 12 of SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999, are as follows:-

Particulars	ESOP Scheme - 2006	ESOP Scheme - 2007	ESOP Scheme - 2010
a. Total grants authorized by the Plan (No.)	10,00,000	20,00,000	20,00,000
b. Pricing formula on date of grant	It is discounted to 30% of the closing market price of the Shares of the Company at Bombay Stock Exchange Limited prior to the day on which the options were granted.	It is the closing market price of the Shares of the Company at Bombay Stock Exchange Limited prior to the day on which the options were granted.	It is the closing market price of the Shares of the Company at Bombay Stock Exchange Limited prior to the day on which the options were granted.
c. Variation in terms	No variations made in the terms of the options granted.	No variations made in the terms of the options granted.	No variations made in the terms of the options granted.
d. Options granted during the year (No.)	Nil	Nil	Nil
e. Weighted Average Price per option granted	₹ 22.05	₹ 89.54	₹ 43.60
f. Options vested as of March 31, 2013 (No.)	122,600	608,500	500,000
g. Options exercised during the year (No.)	Nil	Nil	Nil
h. Money raised on exercise of options	Nil	Nil	Nil
i. Options forfeited and lapsed during the year (No.).	12,000	108,500	Nil
j. Total number of options in force at the end of the year (No.)	122,600	878,500	2,000,000
k. Employee-wise details of options granted to			
i) Senior management	None	None	None

Particulars	ESOP Scheme - 2006	ESOP Scheme - 2007	ESOP Scheme - 2010
ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year.	None	None	None
iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	None	None
l. Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with (Accounting Standard (AS) 20 Earnings per share).	Before Extra Ordinary Item ₹ 2.29	Before Extra Ordinary Item ₹ 2.29	Before Extra Ordinary Item ₹ 2.29
	After Extra Ordinary Item ₹ 2.29	After Extra Ordinary Item ₹ 2.29	After Extra Ordinary Item ₹ 2.29
m. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and EPS of the Company shall also be disclosed.	Increase in profit by ₹ 126,583	Increase in profit by ₹ 8,056,385	Decrease in profit by ₹ 10,115,909
	Increase in Basic/ Diluted EPS - ₹ 0.01	Increase in Basic/ Diluted EPS - ₹ 0.66	Decrease in Basic/ Diluted EPS - ₹ 0.82
n. Weighted - average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise Price - ₹ 22.05	Exercise Price - ₹ 89.54	Exercise Price - ₹ 43.60
	Fair Value - ₹ 19.72	Fair Value - ₹ 48.72	Fair Value - ₹ 16.14

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### INTRODUCTION

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

### CORPORATE STRUCTURE

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

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

### OUTLOOK AND OPPORTUNITIES

#### Global Factors

It was a challenging year for the Indian economy with continuing concerns of global growth prospects and financial stability depending on external demand and international funding. Further, difficulties that most developing economies faced – the impact of shaky global environment on domestic growth, firm inflation and rising interest rates and lack of clarification in government investment policies led to the lowest GDP growth in the last decade.

#### Indian Economy

The Indian economy grew by just 5 percent in 2012-13, after having grown at the rate of 6.2 and 9.3 percent respectively in each of the two preceding years. While this indicates a slowdown, the prospect of some monetary easing going ahead, a normal monsoon and some reduction in government capital expenditure could result in the GDP growth reviving to 5.8 to 6 percent levels in the Fiscal Year 2014. This would position India as a significant out-performer in the global markets.

#### Company's Outlook for its business segments

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

**Consolidated Financials**

(₹ in lakhs)

Particulars	2012-13	2011-12
Total Income	<b>5833.73</b>	6351.78
Profit after tax	<b>424.20</b>	602.85

**RISKS AND CONCERNS**

Global economic activity remains subdued amidst signs of diverging growth paths across major economies. In the US, a slow recovery is taking hold, driven by improvements in the housing sector and employment conditions. However, the pace of recovery remains vulnerable to the adverse impact of the budget sequestration which will gradually gain pace in the months ahead. Japan's economy stopped contracting in Quarter 4 of 2012. There has been some improvement in consumer confidence on account of monetary and fiscal stimulus along with a pick-up in external demand on the back of a weakening yen. In the euro area, recessionary conditions, characterized by deterioration in industrial production, weak exports and low domestic demand, continued into Quarter 1 of 2013. High unemployment, fiscal drag and hesitant progress on financial sector repair have eroded consumer confidence.

The business of the Company is dependent on the international and domestic economic conditions. Global factors like geopolitical tension, economic slowdown are a potential risk to the company's performance. Beside these, domestic issues like inflationary trend and consequent rate tightening by RBI, fiscal and current account deficits, the Rupee-dollar rate and political uncertainty pose a challenge to the economic activities, thus affecting the company. The increase in competitive intensity in the financial intermediation business is a concern and this can impact the performance of the company.

**INTERNAL CONTROL SYSTEMS**

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

**DISCUSSION OF FINANCIAL PERFORMANCE**

As reasoned in the paras' mentioned under performance review, during the year under review, due to volatile international and domestic factors in India, the consolidated total income of the Company reduced to ₹ 5833.73 lakhs as against ₹ 6351.78 lakhs and resulting in fifty percent decrease in Profit after Tax. The consolidated statement includes Company's seven subsidiaries, including its overseas subsidiary in Mauritius.

**MATERIAL DEVELOPMENT AND HUMAN RESOURCES**

During the year under review, Company hired junior and mid level executives, with a experience of around 3 to 5 years, to strengthen its Investment Banking Department which constitute to be the focus area.

**CAUTIONARY STATEMENT**

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

## CORPORATE GOVERNANCE REPORT

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

### 1. BOARD OF DIRECTORS

#### a) Composition of Board

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

#### b) Non-executive Directors' compensation and disclosure

During the year under report, the Company has paid to the non-executive Directors sitting fee of ₹ 10,000/- after deducting TDS for each meeting of the Board or a Committee thereof attended by them, except to Mr. N. A. Rathod, who has 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, 2012 to 31st March, 2013, the Board of Directors held four meetings on 28.05.2012, 02.08.2012, 08.11.2012 and 08.02.2013.

Mr. C. C. Dalal, Mr. C. M Maniar and Mr. A. B. Desai were present in all the four Board meetings, Mr. Gaurang Gandhi was present in three Board Meetings and Mr. N. A. Rathod, was not present in any of the Board Meeting.

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

##### (ii) Number of Directorships

Mr. C. M. Maniar is a director of fourteen other companies, of which he is also a member of six 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 seventeen other companies and he is also a member of one Board Committee. Mr. N. A. Rathod is a director of twenty six other Companies and Mr. A. B. Desai is a director of one other Company.

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

**d) Code of Conduct**

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

**2. Audit Committee**

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

**3. Disclosures**

**a) Basis of related party transactions**

There were related party transactions with the related parties in the ordinary course of business as mentioned in Note no. 30 of Financial Statements. There were no material individual transactions with related parties, which are not in the normal course of business.

**b) Disclosure of accounting treatment**

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

**c) Risk management**

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

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

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

**e) Remuneration of Directors**

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

(ii) During the year end under review, the Company has paid remuneration by way of salary of ₹ 4,809,360/- to Mr. G. M. Gandhi, Managing Director of the Company

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

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

Name of the Directors	Category of Director	No. of Shares held in the Company as at 31.03.2013.
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 retire 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 was 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 18 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 Commissioner 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 Tbk Bakri 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, Audit and Taxation	He specializes in Finance and Investment Banking.

PIONEER INVESTCORP LIMITED

Name of Directors	Shri Chandravadan Dalal	Shri Nalinkant Rathod
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. Best Metro Properties Limited Bell Granito Ceramica Ltd. SCI Bosques Des Collins, France Cerabra Industries Pte. Ltd. Elitser IT Solutions (Singapore) Pte. Ltd. Elitser IT Solutions (India) Pvt. Ltd. Elister IT Soutions Phils, Inc. Merlin MD Pte. Ltd. Nagarjuna Holdings Vietnam Pte Ltd. Nostrum Energy Pte Ltd. Oceanpro Resources Ltd P S Investment Pte. Ltd. Prima Javasoftech Dubai Ltd. Elitser Technologies LLC, Dubai Radorm Technology Ltd Restile Ceramics Ltd. Solomed Pte. Ltd. Whitehall Industries Pte. Ltd. Yoroshii Investments Pte. Ltd. Multi Media Investments Ltd.
Other Committee Membership	Classic Infrastructure & Development Limited CREF Finance Limited	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 one National daily English newspaper and one regional language newspaper in the city in which the registered office of the Company is located and uploaded on the Company's website: [www.pinc.co.in](http://www.pinc.co.in).
- (iii) The Shareholders / Investors Grievance Committee continued to function effectively during the year under review. It continued to attend the matters related to Share Transfers and redressal of Shareholders' complaints. This Committee has three directors, namely, Mr. C. M. Maniar, Mr. G. M. Gandhi and Mr. A. B. Desai. The complaints and grievances of shareholders received if any were duly attended by the Committee and as of now no complaints were pending. To expedite the process of transfer, the Board of Directors of the Company, has delegated the power of transfer to Mr. Gaurang Gandhi, Managing Director of the Company and also to Mr. Sanjay Kabra, Vice President – Finance jointly with Mr. Amit Chandra, Company Secretary of the Company. Further the Shares submitted for transfer in physical form were registered and returned by the Company's Registrars and Share Transfer Agents in about 20 days from receipt of the documents, provided the documents were found in order. Shares under objection were returned within two weeks.
- (iv) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

#### 4. 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.

#### 5. Annual General Meetings

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

Year	Day, Date and Time	Venue
2009-2010	Wednesday, 11th August 2010 at 11.30 a.m.	} Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai-400020.
2010-2011	Thursday, 28th July, 2011 at 11.30 a.m.	
2011-2012	Friday, 7th September, 2012 at 11.30 a.m.	

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

Year	Matter
2009-2010	There was no business requiring Special Resolution
2010-2011	Alteration in the existing Memorandum of Association of the Company
2011-2012	There was no business requiring Special Resolution

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

## 6. Means Of Communications

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

## 7. General Shareholders information

a) The Annual General Meeting of the Company will be held on Monday, 12th August, 2013, 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, 2013)	Within 45 days from the end of quarter.
Financial Reporting for Quarter II - (ending September 30, 2013)	Within 45 days from the end of quarter.
Financial Reporting for Quarter III - (ending December 31, 2013)	Within 45 days from the end of quarter.
Financial Reporting for Quarter IV - (ending March 31, 2014)	Within 60 days from the end of quarter.

c) The dates of Book Closure are 7th August, 2013 to 12th August, 2013 (both days inclusive);

d) 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;

e) Share Prices of the Company – High and Low on BSE Limited, for the Financial Year April, 2012 to March, 2013, were as follows;

(in ₹)

Month	April 2012	May 2012	June 2012	July 2012	Aug. 2012	Sept. 2012	Oct. 2012	Nov. 2012	Dec. 2012	Jan. 2013	Feb. 2013	March 2013
High	37.40	31.00	29.90	26.75	26.60	23.95	25.65	21.50	19.95	18.95	16.95	14.39
Low	26.80	24.70	22.50	22.10	18.25	18.50	18.30	17.50	15.60	15.00	12.50	8.72

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



g) Detailed Shareholding pattern of the Company as on 31st March, 2013, is as under:

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

h) The distribution of Shareholding of Equity Shares as on 31st March, 2013, is as under:

Sr. No.	No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage of Shareholding
1.	Less than 50	899	25814	0.21
2.	51 to 100	2109	207992	1.69
3.	101 to 500	1852	470393	3.83
4.	501 to 1000	299	239525	1.94
5.	1001 to 5000	283	603530	4.91
6.	5001 to 10000	43	314823	2.56
7.	10001 to 50000	48	891653	7.25
8.	50001 to 100000	14	1073659	8.73
9.	100001 to 500000	10	1737296	14.13
10.	500001 & above.	2	6732223	54.75
<b>TOTAL</b>		<b>5559</b>	<b>12296908</b>	<b>100.00</b>

i) As on 31st March, 2013, 77.67% of the Company's totals Paid up Equity Shares were held in demat form with NSDL and CDSL;

j) The Company has paid listing fees for the Financial Year 2013-14 to BSE Limited, the only Exchange where shares of the Company are presently listed; and

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

## 8. 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, 2013.

Mumbai  
5th July, 2013.

**G. M. Gandhi**  
Managing Director

**CEO/CFO Certification**

As required by sub Clause V of Clause 49 of the Listing Agreement with the Stock Exchange, we have certified to the Board that for the Financial year ended March 31, 2013, the Company has complied with the requirements mentioned in the said sub clause.

Mumbai  
5th July, 2013.

**G. M. Gandhi**  
Managing Director

**R. M. Bhatia**  
Chief Financial Officer

**AUDITORS' CERTIFICATE**

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

To,  
The Members of Pioneer Investcorp Limited,  
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Pioneer Investcorp Limited ("the Company"), for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the BSE Limited.

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

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

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

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

Mumbai  
5th July, 2013.

**Nishit Dave**  
Partner  
M.No.: 120073

## FINANCIAL STATEMENTS

## **INDEPENDENT AUDITORS' REPORT**

To,  
**THE MEMBERS OF PIONEER INVESTCORP LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Pioneer Investcorp Limited (“ the Company”), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss , of the profits for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. 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;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Jayesh Dadia & Associates,**  
Chartered Accountants  
Firm's Registration No. 121142W

**Nishit Dave**  
Partner  
M.No.: 120073

Mumbai  
28th May, 2013

## **ANNEXURE TO THE AUDITORS' REPORT**

**(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" 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; and  
(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 to Five of its wholly owned subsidiaries. At the year end, the loans granted to Five subsidiaries aggregates to ₹ 135.09 lacs (previous year ₹ 71.69 lacs). The Maximum balance outstanding during the year was ₹ 479.54 lacs (previous year ₹ 279.86 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; and  
(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) In our opinion, the company has entered into all the particulars of contracts or arrangement referred to in section 301 of the act; and  
(b) In our opinion, transactions made in pursuance of such contract or arrangements and exceeding the value of Rupees five lakhs in respect of any party during have been made at prices which are reasonable having regard to 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; and  
(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. Accordingly, the provisions of clause 4(xii) is not applicable to the company.
- (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 the same was applied for the purpose for which it was obtained.
- (xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that no funds raised for short term has been used for long term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) As informed to us, no fraud on or by the Company has been noticed or reported during the year.

**For Jayesh Dadia & Associates**

Firm Reg. No. 121142W

Chartered Accountants

**Nishit Dave**

Partner

M.No.: 120073

Mumbai

28th May, 2013

**BALANCE SHEET AS AT 31ST MARCH, 2013.**

	Note No.	31.03.2013 ₹	31.03.2012 ₹
<b>EQUITIES &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	128,946,972	128,946,972
Reserves & Surplus	2	932,617,903	904,527,135
	<b>"A"</b>	<b>1,061,564,875</b>	<b>1,033,474,107</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	2,568,481	558,258,803
Other Long Term Liabilities	4	27,955,287	10,605,722
Long Term Provisions	5	11,787,707	9,354,776
	<b>"B"</b>	<b>42,311,475</b>	<b>578,219,301</b>
<b>Current Liabilities</b>			
Short Term Borrowings	6	616,114,902	838,307
Trade Payables	7	18,161,188	55,882,821
Other Current Liabilities	8	514,026,318	13,877,176
Short Term Provisions	9	966,467	22,737,686
	<b>"C"</b>	<b>1,149,268,875</b>	<b>93,335,990</b>
<b>Total - "A" + "B" + "C"</b>		<b>2,253,145,225</b>	<b>1,705,029,398</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		691,205,647	91,129,113
Intangible Assets		4,515,455	9,816,396
Capital Work-in-Progress		—	751,030,857
Non Current Investments	11	422,580,410	572,580,410
Long Term Loans & Advances	12	60,674,343	63,202,421
Deferred Tax Asset	13	7,947,511	4,353,288
	<b>"A"</b>	<b>1,186,923,366</b>	<b>1,492,112,485</b>
<b>Current Assets</b>			
Inventories	14	694,058,962	257,724
Trade Receivables	15	327,258,827	169,968,382
Cash & Cash Equivalants	16	18,023,666	41,311,768
Short Term Loans & Advances	17	26,456,159	1,146,904
Other Current Assets	18	424,245	232,135
	<b>"B"</b>	<b>1,066,221,859</b>	<b>212,916,913</b>
<b>Total - "A" + "B"</b>		<b>2,253,145,225</b>	<b>1,705,029,398</b>

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

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

**G.M.Gandhi**  
 Managing Director

**C.C.Dalal**  
 Director

**A.B.Desai**  
 Director

**C.M.Manjar**  
 Director

**Nishit Dave**  
 Partner  
 M.No. : 120073  
 Mumbai, 28th May, 2013

**Rakesh Bhatia**  
 CFO

**A.J.Chandra**  
 Company Secretary

Mumbai, 28th May, 2013



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013.**

	Note No.	31.03.2013 ₹	31.03.2012 ₹
<b>INCOME</b>			
Income From Operations	19	262,210,797	379,501,595
Other Income	20	155,294,462	(28,730,031)
<b>Total Income</b>		<b>417,505,259</b>	<b>350,771,564</b>
<b>EXPENSES</b>			
Employee Benefit Expenses	21	119,334,698	123,956,783
Finance Cost	22	62,890,103	35,787,088
Depreciation and Amortization Cost	10	23,806,884	22,204,451
Other Expenses	23	175,970,142	94,452,356
<b>Total Expenses</b>		<b>382,001,827</b>	<b>276,400,678</b>
<b>PROFIT BEFORE TAX</b>		<b>35,503,432</b>	<b>74,370,886</b>
<b>Tax Expense</b>			
Less: Current Tax		(7,100,000)	(32,000,000)
Less: Earlier Years Tax		(3,793,487)	(22,242,500)
Add: Deferred Tax Assets		3,594,223	19,442,533
<b>PROFIT AFTER TAX</b>		<b>28,204,168</b>	<b>39,570,919</b>
<b>Earning Per Equity Share</b>			
Basic/Diluted	24	2.29	3.22

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

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

**Nishit Dave**  
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 Director

**A.J.Chandra**  
 Company Secretary  
 Mumbai, 28th May, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013.**

	For the Year 31.03.2013 ₹	For the Year 31.03.2012 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	35,503,432	74,370,886
Adjustments for :		
Depreciation	23,806,884	22,204,451
Employee Stock Compensation Expense	(113,400)	(170,100)
Finance Cost	62,890,103	35,787,088
Interest /Dividend	(3,239,142)	(273,244)
Provision in diminution in the value	—	1,107,064
(Profit)/Loss on sale of Investments	(150,000,000)	10,364,474
(Profit)/Loss on sale of Assets	98,015,756	—
<b>Operating Profit Before Working Capital Changes</b>	<b>66,863,633</b>	<b>143,390,619</b>
Adjustments for :		
Trade & Other Receivables	(870,113,348)	397,785,252
Trade Payables & Other Liabilities	71,639,035	(85,483,274)
(Increase)/Decrease in Net Current Assets	(798,474,313)	312,301,978
Cash Generated from Operations	(731,610,680)	455,692,597
Direct Taxes Paid	(29,908,187)	(57,610,337)
<b>Net Cash from Operating Activities</b>	<b>(761,518,867)</b>	<b>398,082,260</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(104,279,729)	(372,610,142)
Sale of Fixed Assets	138,712,350	21,484
Purchase of Investments	—	(196,713,662)
Sale of Investments	300,000,000	16,711,191
Interest /Dividend	3,239,142	273,244
<b>Net Cash used in Investing Activities</b>	<b>337,671,763</b>	<b>(552,317,885)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Term Loan Taken / (Repaid)	(151,827,490)	263,625,258
Overdraft Facility	—	(4,500,000)
Cash Credit	615,276,595	(60,001,608)
Dividend	—	(6,148,454)
Dividend Distribution Tax	—	(997,433)
Share Premium	—	—
Employee Stock Option Reserve Reversal on issue	—	—
Share Capital Issued	—	—
Finance Cost	(62,890,103)	(35,787,088)
<b>Net Cash from Financing activities</b>	<b>400,559,002</b>	<b>156,190,675</b>
<b>Net Increase/ (decrease) in Cash &amp; Cash Equivalents</b>	<b>(23,288,102)</b>	<b>1,955,050</b>
<b>Cash &amp; Cash Equivalents at the beginning of the Year</b>	<b>41,311,768</b>	<b>39,356,718</b>
<b>Cash &amp; Cash Equivalents at the close of the Year</b>	<b>18,023,666</b>	<b>41,311,768</b>

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

**Nishit Dave**  
 Partner  
 M.No. : 120073  
 Mumbai, 28th May, 2013

**G.M.Gandhi**  
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 CFO

**C.C.Dalal**  
 Director

**C.M.Maniar**  
 Director

**A.J.Chandra**  
 Company Secretary

Mumbai, 28th May, 2013

**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.

**5. Investments :**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments.

Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if in the opinion of the management, such diminution is other than temporary.

**6. Revenue Recognition :**

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

**7. (a) Future Contracts:**

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

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

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

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

**(b) Option Contracts:**

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

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

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

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

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

**8. Borrowing Cost :**

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

Such expenses are shown under Capital Work in Progress to be allocated to the relevant items of assets on such assets being put to use.

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

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

**9. Employee Stock Option Plan :**

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

**10. Foreign Currency Transactions :**

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

**11. Retirement Benefits:**

**(a) Defined Contribution Plan:**

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

**(b) Defined Benefit Plan:**

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

by the reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**12. Assets on Operating Leases:**

Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease and license agreements.

**13. 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.

**14. 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.

**15. 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.

**16. Impairment of Assets:**

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>Note No.: 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
25,000,000 Equity Shares of ₹ 10/- each	250,000,000	250,000,000
(Previous Year: 25,000,000 Equity Shares of ₹ 10/- each)	<u>250,000,000</u>	<u>250,000,000</u>
<b>Issued, Subscribed &amp; Fully Paid up Shares</b>		
1,22,96,908 Equity Shares of ₹ 10/- each	122,969,080	122,969,080
(Previous Year: 1,22,96,908 Equity Shares of ₹ 10/- each)		
Add :Amount paid up on Shares Forfeited	5,977,892	5,977,892
<b>Total Issued, Subscribed &amp; Fully Paid up Share Capital</b>	<u>128,946,972</u>	<u>128,946,972</u>
<b>A) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:</b>		
At the beginning of the reporting period:		
1,22,96,908 (Previous Year 1,22,96,908) Equity Shares of ₹ 10/- each	122,969,080	122,969,080
Issued during the period		
Nil (Previous Year Nil ) Equity Shares of ₹ 10/- each	—	—
Outstanding at the end of the period:		
1,22,96,908 (Previous Year 1,22,96,908) Equity Shares of ₹ 10/- each	<u>122,969,080</u>	<u>122,969,080</u>
<b>B) Details of Shareholders holding more than 5% shares in the Company:</b>		
Gaurang M. Gandhi	50.11%	50.11%
61,61,663 (Previous Year 61,61,663) equity shares of ₹ 10/- fully paid		
<b>C) Rights attached to equity shares</b>		
The company has only one class of issued equity shares having a par value of ₹ 10/- per share. Each holder of equity share entitled to one vote per share. The company declares and pays dividend in Indian Rupees		
<b>D) Employee Stock Option Scheme-refer note 29</b>		
<b>Note No.: 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Balance as per Last Financial Statement	313,828,549	313,828,549
Add: Transfer From Statement of Profit & Loss	—	—
Closing Balance	<u>313,828,549</u>	<u>313,828,549</u>
<b>Securities Premium</b>	111,192,453	111,192,453
<b>Employees Stock Options</b>	1,158,571	1,271,971
<b>Capital Reserve</b>	127,447,500	127,447,500
<b>Capital (Amalgamation) Reserve A/c</b>	119,483,021	119,483,021
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Balance as per Last Financial Statement	231,303,641	198,878,609
Profit for the Year	28,204,168	39,570,919
Less: Appropriations		
Proposed Dividend	—	6,148,454
Dividend Distribution Tax	—	997,433
Transferred to General Reserve	—	—
<b>Net Surplus in the Statement of Profit &amp; Loss</b>	<u>259,507,809</u>	<u>231,303,641</u>
<b>Total Reserves &amp; Surplus</b>	<u>932,617,903</u>	<u>904,527,135</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	<b>31.03.2013</b> ₹	31.03.2012 ₹
<b>Note No.: 3</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>From Banks</b>		
Term Loans	<b>2,568,481</b>	413,614,433
<b>From Financial Institutions-Term Loans</b>	—	144,644,370
	<b>2,568,481</b>	<u>558,258,803</u>
<b>Terms of Repayment</b>		
Rate of Interest- 9.01% to 12%		
1-3 Years	<b>1,344,293</b>	1,636,461
3-5 Years	<b>1,224,188</b>	1,930,650
Rate of Interest- 12.01% to 15%		
1-3 Years	—	410,470,042
Rate of Interest- More than 15%		
1-3 Years	—	144,221,650
	<b>2,568,481</b>	<u>558,258,803</u>
The rate of interest for the above term loans are linked to the base rates of the banks and are subject to change from time to time. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates. Term Loans are secured by first charge on mortgage of office premises, all moveable capital assets and hypothecation of vehicles.		
<b>Note No.: 4</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Unclaimed Dividends	<b>1,169,115</b>	1,157,143
Advance From clients	<b>5,100,000</b>	5,100,000
<b>Trade Payables</b>		
Due to Other than SMEs		
For Expenses	<b>1,686,172</b>	4,348,579
Security Deposits	<b>20,000,000</b>	—
	<b>27,955,287</b>	<u>10,605,722</u>
<b>Note No.: 5</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Employee Benefits	<b>11,787,707</b>	9,354,776
	<b>11,787,707</b>	<u>9,354,776</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>CURRENT LIABILITIES</b>		
<b>Note No.: 6</b>		
<b>SHORT TERM PROVISIONS</b>		
<b>Secured Loans from Banks</b>		
Cash Credit	616,114,902	838,307
	<u>616,114,902</u>	<u>838,307</u>
Cash Credit facilities are secured against pledge of Government Securities and Bonds.		
<b>Note No.: 7</b>		
<b>TRADE PAYABLES</b>		
<b>Due to Other than SMEs</b>		
For Expenses	5,869,826	5,313,336
For Securities and Bonds	12,291,362	50,569,485
	<u>18,161,188</u>	<u>55,882,821</u>
<b>Note No.: 8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Advance received for sale of office premises	65,570,728	—
Security Deposits	32,353,861	—
Current maturities/prepayments of long term borrowings*	410,348,707	6,485,875
Duties & Taxes Payable	5,753,022	7,391,301
	<u>514,026,318</u>	<u>13,877,176</u>
*The long term loans availed from the banks has been considered as current liabilities since subsequent to the balance sheet date the entire term loan has been repaid		
<b>Note No.: 9</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Income Tax (Net)	—	15,063,080
Dividend Payable	—	6,148,454
Dividend Distribution Tax Payable	—	997,433
Provision for Employee Benefits	966,467	528,719
	<u>966,467</u>	<u>22,737,686</u>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

Note No.: 10

**FIXED ASSETS**

Particulars of Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2012 ₹	Additions during the year ₹	Deductions during the year ₹	As on 31.03.2013 ₹	Upto 31.03.2012 ₹	For the year ₹	Deductions/ Adjustments ₹	Upto 31.03.2013 ₹	As on 31.03.2013 ₹	As on 31.03.2012 ₹
<b>TANGIBLE</b>										
Office Premises	14,328,820	852,218,140	214,803,368	651,743,592	3,247,939	1,982,694	297,370	4,933,263	646,810,329	11,080,881
Leasehold Office Premises	16,726,567	—	9,422,339	7,304,228	8,963,853	3,345,313	5,555,059	6,754,107	550,121	7,762,714
Office Equipments	78,713,593	158,055	22,016,885	56,854,763	37,394,838	10,338,528	11,463,514	36,269,852	20,584,911	41,318,755
Furniture & Fixtures	36,795,460	—	10,373,297	26,422,163	10,380,147	2,299,243	2,571,840	10,107,550	16,314,613	26,415,313
Vehicles	7,310,879	2,934,391	—	10,245,270	2,759,430	540,166	—	3,299,596	6,945,674	4,551,449
<b>Total</b>	<b>153,875,319</b>	<b>855,310,586</b>	<b>256,615,889</b>	<b>752,570,016</b>	<b>62,746,207</b>	<b>18,505,944</b>	<b>19,887,783</b>	<b>61,364,368</b>	<b>691,205,647</b>	<b>91,129,113</b>
Previous Year	151,514,277	2,417,642	56,600	153,875,319	45,906,490	16,874,832	35,116	62,746,206	91,129,113	105,607,787
<b>INTANGIBLE</b>										
Software	26,648,094	—	—	26,648,094	16,831,698	5,300,940	—	22,132,638	4,515,455	9,816,396
<b>Total</b>	<b>26,648,094</b>	<b>—</b>	<b>—</b>	<b>26,648,094</b>	<b>16,831,698</b>	<b>5,300,940</b>	<b>—</b>	<b>22,132,638</b>	<b>4,515,455</b>	<b>9,816,396</b>
Previous Year	26,648,094	—	—	26,648,094	11,502,079	5,329,619	—	16,831,698	9,816,396	15,146,015
Tangible Capital Work-in-progress*										751,030,857

\*During the year company has taken the possession of the office premises ("the new office premises") and capitalized the same and therefore the amount appearing in CWIP has been transferred to the asset account. Further the company has sold part of the new office premises in the current year and the balance portion in the next year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>Note No.: 11</b>		
<b>NON CURRENT TRADE INVESTMENTS</b>		
<b>{Long Term, at cost}</b>		
<b>(A) 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. (6,000,000 fully paid Equity Shares (previous year 6,000,000) of ₹ 10/- each)	60,000,000	60,000,000
Pioneer Wealth Management Services Ltd. (6,990,000 fully paid Equity Shares (previous year 6,990,000) of ₹ 10/- each)	69,900,000	69,900,000
Pioneer Fundinvest Pvt. Ltd. (21,000 fully paid Equity Shares (previous year 21,000) of ₹ 100/- each)	3,612,000	3,612,000
PINC Fund Advisors LLC. (incorporated in Mauritius) (100,000 fully paid Equity Shares (previous year 100,000) of USD 1 each)	3,939,730	3,939,730
PINC Energy Resources Pvt Ltd (Nil fully paid Equity Shares (previous year 1,50,00,000) of ₹ 10/- each)**	—	150,000,000
**company disposed off during the year		
<b>Total (A)</b>	<b>419,951,730</b>	<b>569,951,730</b>
<b>(B) 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) 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 2013 is ₹ 118,364 (previous year ₹ 128,679))	1,235,744	1,235,744
Less : Provision for diminution	1,107,064	1,107,064
<b>Total (c)</b>	<b>128,680</b>	<b>128,680</b>
<b>Total Investments (A + B + C)</b>	<b>422,580,410</b>	<b>572,580,410</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>Note No.: 12</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured Considered Good Unless Otherwise Stated)		
Security Deposits	18,538,177	19,343,677
Advances to Subsidiaries	7,246,210	7,169,385
Advances to Staff	30,213,500	32,200,000
Other Advances	4,676,456	4,489,359
	<u>60,674,343</u>	<u>63,202,421</u>
<b>Note No.: 13</b>		
<b>DEFERRED TAX ASSETS</b>		
On Account of Depreciation Difference*	(3,011,241)	(15,276,332)
On Account of 43B disallowances	4,138,092	3,206,699
On Account of brought forward lossess	6,820,660	16,422,921
	<u>7,947,511</u>	<u>4,353,288</u>
*The company has not capitalized the new office premises and not claimed the depreciation under Income Tax Act, 1961, Accordingly, the company has not considered the Written Down Value of new office premises, while computing the deferred tax.		
<b>CURRENT ASSETS</b>		
<b>Note No.: 14</b>		
<b>INVENTORIES</b>		
(Valued at cost as taken and Certified by the Management)		
Stock In Trade		
Government Securities / Bonds	694,058,962	257,724
	<u>694,058,962</u>	<u>257,724</u>
<b>Note No.: 15</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due	—	—
Others	327,258,827	169,968,382
	<u>327,258,827</u>	<u>169,968,382</u>
(Debtors includes ₹ 3086.81 lacs (previous year ₹ 1460.40 lacs) on account of sale of Securities and Bonds)		
<b>Note No.: 16</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
<b>Balance with Banks</b>		
In Fixed Deposits - maturity of more than 12 months (pledge against secured loan)	3,050,000	2,050,000
In Current Accounts	14,951,259	39,246,015
Cash on Hand	22,407	15,753
	<u>18,023,666</u>	<u>41,311,768</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>Note No.: 17</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
<b>(Unsecured considered good unless otherwise stated)</b>		
Advance Tax (Net)	3,951,620	—
Security Deposits	4,049,335	—
Prepaid Expenses	777,671	458,172
Advances to Subsidiaries	6,262,732	—
Other Advances	776,794	79,930
Receivable from Revenue Authorities	10,638,007	608,802
	<u>26,456,159</u>	<u>1,146,904</u>
<b>Note No.: 18</b>		
<b>OTHER CURRENT ASSETS</b>		
Accrued Interest	424,245	232,135
	<u>424,245</u>	<u>232,135</u>
<b>Note No.: 19</b>		
<b>INCOME FROM OPERATIONS</b>		
<b>A) Investment Banking and Advisory Fees</b>	84,445,616	340,987,043
<b>B) Income from Trading in Securities</b>		
Sales (a)	147,031,661,193	87,503,109,143
Closing Inventory (b)	694,058,962	257,724
Purchases (c)	147,547,697,250	87,421,319,889
Opening Inventory (d)	257,724	43,532,426
<b>Sub-Total (a+b-c-d)</b>	<u>177,765,181</u>	<u>38,514,552</u>
<b>Total (A+B)</b>	<u>262,210,797</u>	<u>379,501,595</u>
<b>Note No.: 20</b>		
<b>OTHER INCOME</b>		
Interest Income	3,236,497	273,244
Dividend	2,645	—
Income from trading in commodities	1,935,320	—
Net Gain / (Loss) on Sale of Investments	—	(6,613)
Profit/(Loss) on disposal of subsidiary	150,000,000	(28,996,662)
Miscellaneous Income	120,000	—
	<u>155,294,462</u>	<u>(28,730,031)</u>
<b>Note No.: 21</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Bonus	112,948,086	118,795,559
Gratuity	2,906,506	2,160,129
Contribution to Provident Fund	3,373,713	2,869,692
Staff Welfare	106,393	131,403
	<u>119,334,698</u>	<u>123,956,783</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>Note No.: 22</b>		
<b>FINANCE COSTS</b>		
Interest		
to Banks	46,869,391	26,888,868
to others	712,501	—
for delayed payments	2,829,817	496,300
Bank Commission	12,478,394	8,401,920
	<u>62,890,103</u>	<u>35,787,088</u>
<b>Note No.: 23</b>		
<b>OTHER EXPENSES</b>		
Rent	25,756,726	27,225,256
Business Promotion Expenses	3,504,958	3,452,474
Power and Fuel	2,596,639	2,391,968
Postage, Telex and Telephones	2,388,657	3,656,932
Directors' Sitting Fees	240,000	320,000
Travelling and Conveyance	7,713,405	10,820,324
Motor Car Expenses	8,237,424	8,891,081
Legal and Professional Charges	12,775,702	24,535,811
Donation	130,000	150,000
Maintenance Expenses	5,473,687	4,964,527
Diminution in the value of Investments	—	1,107,064
Loss on sale of Fixed Asset	98,015,756	—
Auditors' Remuneration:		
Audit Fees	300,000	300,000
Tax Audit Fees	50,000	50,000
Certification work	120,000	120,000
Miscellaneous Expenses	8,667,188	6,466,919
	<u>175,970,142</u>	<u>94,452,356</u>
<b>Note No.: 24</b>		
<b>EARNINGS PER SHARE</b>		
Net Profit as per Profit & Loss Account (A) ( ₹ )	28,204,168	39,570,919
Weighted average number of Equity Share used in computing		
Basic/Diluted earning per share (B) (No. of Shares)	12,296,908	12,296,908
Earning Per Share after extraordinary items ( ₹ ) Basic/Diluted- (A/B)	2.29	3.22
<b>Note No.: 25</b>		
<b>FOREIGN CURRENCY TRANSACTIONS</b>		
Foreign Earnings		
Professional Fees	—	232,717,222
Foreign Expenses		
Travelling	644,004	987,997
	<u>644,004</u>	<u>987,997</u>
<b>Note No.: 26</b>		
<b>CONTINGENT LIABILITY</b>		
Counter Guarantees given to banks for subsidiary	395,000,000	395,000,000

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013****Note No.: 27****SEGMENT REPORTING**

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

	Advisory & Merchant Banking Fees ₹	Income From Coal and Energy Resources ₹	Income From Securities ₹	Total As on 31.3.2013 ₹
<b>Segment Revenue</b>	<b>84,445,616</b>	—	<b>177,765,181</b>	<b>262,210,797</b>
	<i>273,204,653</i>	<i>67,782,390</i>	<i>38,514,552</i>	<i>379,501,595</i>
Add:Unallocated Revenue	—	—	—	<b>155,294,462</b>
	—	—	—	<i>(28,730,031)</i>
<b>Total Revenue</b>	<b>84,445,616</b>	—	<b>177,765,181</b>	<b>417,505,259</b>
	<i>273,204,653</i>	<i>67,782,390</i>	<i>38,514,552</i>	<i>350,771,564</i>
<b>Segment Result before Tax</b>	<b>(31,395,384)</b>	—	<b>101,187,181</b>	<b>69,791,797</b>
	<i>172,306,414</i>	<i>40,270,629</i>	<i>(19,410,448)</i>	<i>193,166,595</i>
Add:Unallocated Income/(Expenses)(net)	—	—	—	<b>(34,288,364)</b>
	—	—	—	<i>(118,795,709)</i>
<b>Operating Profit</b>	—	—	—	<b>35,503,433</b>
	—	—	—	<i>74,370,886</i>
<b>Finance Charges</b>	—	—	—	—
	—	—	—	—
<b>Extraordinary Items</b>	—	—	—	—
	—	—	—	—
<b>Provision for Tax</b>	—	—	—	<b>(3,505,777)</b>
	—	—	—	<i>(12,557,467)</i>
<b>Provision for Tax for earlier years</b>	—	—	—	<b>(3,793,487)</b>
	—	—	—	<i>(22,242,500)</i>
<b>Net Profit</b>	—	—	—	<b>28,204,169</b>
	—	—	—	<i>39,570,919</i>
<b>Segment Assets</b>	<b>18,577,568</b>	—	<b>1,002,740,221</b>	<b>1,021,317,789</b>
	<i>23,927,927</i>	—	<i>146,298,179</i>	<i>170,226,106</i>
Add:Unallocated Assets	—	—	—	<b>1,231,827,437</b>
	—	—	—	<i>1,684,482,711</i>
<b>Total Assets</b>	—	—	—	<b>2,253,145,225</b>
	—	—	—	<i>1,854,708,817</i>
<b>Segment Liabilities</b>	<b>5,100,000</b>	—	<b>628,406,264</b>	<b>633,506,264</b>
	<i>5,100,000</i>	—	<i>51,407,792</i>	<i>56,507,792</i>
Add:Unallocated Liabilities	—	—	—	<b>558,074,086</b>
	—	—	—	<i>764,726,919</i>
<b>Total liabilities</b>	—	—	—	<b>1,191,580,351</b>
	—	—	—	<i>821,234,712</i>
<b>Capital Expenditure</b>	—	—	—	<b>104,279,729</b>
	—	—	—	<i>372,610,142</i>
<b>Depreciation</b>	—	—	—	—
	—	—	—	—
<b>Unallocated Depreciation</b>	—	—	—	<b>23,806,884</b>
	—	—	—	<i>22,204,451</i>
<b>Total Depreciation</b>	—	—	—	<b>23,806,884</b>
	—	—	—	<i>22,204,451</i>

**Notes**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013****Note No.: 28****EMPLOYEE BENEFIT**

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

	Gratuity (in ₹)	
	Valuation Date 31st March 2013	Valuation Date 31st March 2012
<b>I Assumption</b>		
Mortality	<b>LIC (1994-96) Ult</b>	LIC (1994-96) Ult
Discount Rate	<b>8.05%</b>	8.50%
Rate of Increase in Compensation	<b>7.00%</b>	7.00%
Rate of Return (Expected) on plan assets Withdrawal Rates	<b>5.00%</b>	5.00%
<b>II Change in present Value of Obligations</b>		
PVO at beginning of period #	<b>8,769,428</b>	6,609,299
Interest Cost #	<b>743,879</b>	548,572
Current Service Cost #	<b>2,106,253</b>	2,488,572
Benefits Paid #	<b>(35,827)</b>	—
Actuarial (gain/loss) on obligation #	<b>56,374</b>	(877,015)
PVO at end of period #	<b>11,640,107</b>	8,769,428
<b>III Changes in Fair value of plan Assets</b>		
Fair Value of plan assets at beginning of Period #	—	—
Expected return on plan assets#	—	—
Contributions #	—	—
Benefits Paid#	<b>35,827</b>	—
Actuarial (gain/loss) on plan assets #	<b>(35,827)</b>	—
Fair Value of plan assets at end of Period#	—	—
<b>IV Fair Value of plan Assets</b>		
Fair Value of plan assets at beginning of Period	—	—
Actual return on plan assets	—	—
Contributions	—	—
Benefits Paid	<b>35,827</b>	—
Fair Value of plan assets at end of Period	<b>(35,827)</b>	—
Funded Status	<b>(11,640,107)</b>	(8,769,428)
Excess of Actual Over Estimated return On plan Assets	—	—
<b>V Actuarial (Gain / Loss) Recognized</b>		
Actual Gain/ Loss for the period (Obligation)	<b>(56,374)</b>	877,015
Actual Gain/ Loss for the period (Plan Assets)	—	—
Total Gain / Loss for the period	<b>(56,374)</b>	877,015
Actuarial (Gain / Loss) Recognized for the period	<b>(56,374)</b>	877,015
Unrecognized Actuarial (Gain / Loss) at end the period	—	—

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	(in ₹)	
	Valuation Date 31st March 2013	Valuation Date 31st March 2012
<b>VI Amount to be recognized in the balance sheet and statement of profit &amp; loss Account</b>		
PVO at end of period	11,640,107	8,769,428
Fair Value of plan assets at end of Period	—	—
Funded Status	(11,640,107)	(8,769,428)
Unrecognized Actuarial Gain / Loss	—	—
Net Asset/ Liability Recognized in the Balance Sheet	(11,640,107)	(8,769,428)
<b>VII Expenses Recognized in the Statement of Profit &amp; Loss A/c</b>		
Current Service Cost	2,106,253	2,488,572
Interest Cost	743,879	548,572
Expected Return on Plan Assets	—	—
Net Actuarial (Gain/Loss) Recognized		
For the period	56,374	(877,015)
Expense Recognized in the statement Of P & L A/c	2,906,506	2,160,129
<b>VIII Movements in the Liability Recognized in Balance Sheet</b>		
Opening Net Liability	8,769,428	6,609,299
Expenses as Above	2,906,506	2,160,129
Contribution Paid	(35,827)	—
Closing Net Liability	11,640,107	8,769,428
<b>IX Experience Anyalysis - Liabilities</b>		
Actuarial (Gain)/Loss due to change in bases	283,502	(130,784)
Experience (Gain) / Loss due to Change in Experience	(227,128)	(746,231)
Total	56,374	(877,015)
Experience Anyalysis - Plan Assets	—	—
Experience (Gain) / Loss due to Change in Plan Assets	—	—
<b>X Schedule VI Details</b>		
Current Liability	966,467	528,719
Non-Current Liability	10,673,640	8,240,709



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

29. The Company, under its various ESOP Plan/Schemes, has granted in aggregate 4,866,500 options, as on 31st March, 2013 (previous year 4,866,500).

Employee Stock option Reserve outstanding at the beginning of the year amounting to ₹ 1,271,971 (previous year 1,442,071) was reduced by ₹ 113,400 (previous year 170,100) on account of stock options forfeited/lapsed during the year.

The details of outstanding options are as under:

Particulars	2012-2013			2011-2012		
	ESOP 2010	ESOP 2007	ESOP 2006	ESOP 2010	ESOP 2007	ESOP 2006
Options in force at the beginning of the year	2,000,000	987,000	134,600	—	674,800	152,600
Add: Options granted during the year	—	—	—	2,000,000	360,000	—
Less: Options forfeited/lapsed	—	108,500	12,000	—	47,800	18,000
Less: Options Exercised during the year	—	—	—	—	—	—
Options in force at the end of the year	2,000,000	878,500	122,600	2,000,000	987,000	134,600
Vested Options outstanding-opening	—	627,000	134,600	—	674,800	152,600
Add: Options vested during the year	500,000	90,000	—	—	—	—
Less: Options Exercised during the year	—	—	—	—	—	—
Less: Vested Options Lapsed	—	108,500	12,000	—	47,800	18,000
Vested Options outstanding-closing	500,000	608,500	122,600	—	627,000	134,600

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

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

**Category – II – Subsidiary Companies**

- (1) Infinity.com Financial Securities Ltd.
- (2) Pioneer Commodity Intermediaries Pvt. Ltd.
- (3) Pioneer Money Management Ltd.
- (4) Pioneer Investment Advisory Services Ltd.
- (5) Pioneer Wealth Management Services Ltd.
- (6) PINC Fund Advisors LLC (incorporated in Mauritius)
- (7) Pioneer Fundinvest Pvt. Ltd.
- (8) PINC Energy Resources Private Limited (disposed off during the year)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013****Category – III –Entities under common control**

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

Details of related party transaction carried out during the year ended 31st March, 2013

Nature of Transactions	31.03.2013 ₹	31.03.2012 ₹
<b>Details of transactions with key management personnels (referred as category-I)</b>		
Remuneration	12,342,698	13,306,248
<b>Details of transactions with subsidiary companies (referred as category-II)</b>		
Investment in Subsidiaries	—	180,000,000
Purchase of Investments	—	33,039,174
Sale of Investments	—	23,043,848
Loans & Advances (Given/(Recovered))	6,339,557	12,573,142
Advances written-off	—	18,638,801
Sale of Government Securities	449,476,543	400,123,494
Income from Government Securities	(5,088,207)	—
Brokerage on Purchase/Sale of Securities	—	2,212
Collateral Guarantees given	395,000,000	395,000,000
Closing balances((Cr)/Dr)	13,508,942	7,169,385
<b>Details of transactions with entities under common control (referred as category-III)</b>		
Rent Received	120,000	—
Security Deposit Received	20,000,000	—
Purchase of Government Securities	98,522,353	—
Closing balances((Cr)/Dr)	(20,000,000)	—

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

31. The Company has taken office premises on operating lease. Lease rents in respect of the same have been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 3 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The minimum Lease rentals outstanding as at March 31, 2013, are as under:

Minimum Lease Rental	31.03.2013	31.03.2012
	₹	₹
Upto one year	13,463,960	25,756,726
One to Five Years	10,350,630	23,814,590
Total	<u>23,814,590</u>	<u>49,571,316</u>

32. Provision for Income Tax has been made in the accounts as per the provisions of the Income Tax Act, 1961.
33. The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure requirements in this regard as per Schedule VI of the Companies Act, 1956 have not been provided.
34. 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.
35. The figures of the previous year are regrouped or reclassified, wherever necessary, to make them comparable with the figures of current year.

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Signature to Notes 1 to 35

**For Jayesh Dadia & Associates**

Firm Reg. No. 121142W  
Chartered Accountants

**G.M.Gandhi**  
Managing Director

**C.C.Dalal**  
Director

**A.B.Desai**  
Director

**C.M.Maniar**  
Director

**Nishit Dave**

Partner

M.No. : 120073

**Rakesh Bhatia**  
CFO

**A.J.Chandra**  
Company Secretary

Mumbai, 28th May, 2013

Mumbai, 28th May, 2013

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

Particulars	Infinity.com Financial Securities Limited		Pioneer Wealth Management Services Limited		Pioneer Money Management Limited		Pioneer Investment Advisory Services Limited		Pioneer Commodity Intermediaries Pvt. Limited		PINC Fund Advisors LLC (Mauritius)		PINC Energy Resources Pvt. Limited		Pioneer Fundinvest Pvt. Limited	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
	Amount in ₹															
Share Capital	245,000,000	245,000,000	69,900,000	69,900,000	60,000,000	60,000,000	500,000	500,000	16,000,000	16,000,000	5,452,000	5,087,630	—	150,000,000	2,100,000	2,100,000
Reserves & Surplus	209,874,080	197,072,496	3,299,016	3,689,416	2,441,405	(342,049)	(36,371)	(47,443)	(3,350,731)	(3,232,262)	(10,626,805)	(9,796,300)	—	34,257	751,459	792,741
Total Assets	1,036,559,217	1,009,427,921	73,786,384	74,329,652	62,777,241	61,108,354	703,742	669,486	12,660,505	12,790,004	2,474,619	1,630,920	—	151,542,218	2,916,562	2,982,978
Total Liabilities	561,665,137	567,355,424	587,368	740,236	335,836	1,450,403	240,113	216,929	—	22,266	7,649,424	6,339,590	—	1,507,961	65,103	90,236
Investments	4,935,589	4,935,589	56,574,915	58,574,915	—	—	—	—	—	—	—	—	—	—	2,500,000	—
Revenue	157,484,665	276,527,123	23,267	390,585	8,160,104	751,524	61,594	51,524	138,193	118,039	—	3,122	—	6,506,136	—	56,697
Profit before Taxation	20,075,256	29,706,864	(399,682)	55,316	4,218,327	99,996	30,944	21,437	(117,951)	(144,105)	(630,505)	(493,742)	—	2,942,421	(36,856)	14,186
Provision for Taxation	7,276,674	9,781,573	(9,281)	133,058	1,434,872	120,908	19,872	16,908	518	13,457	—	—	—	1,399,234	4,426	23,379
Profit after Tax	12,801,582	19,925,291	(390,401)	(77,742)	2,783,455	(20,912)	11,072	4,529	(118,469)	(157,562)	(630,505)	(493,742)	—	1,543,187	(41,282)	(9,193)

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(3) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

1	Name of the Subsidiary	Infinity.com Financial Securities Limited	Pioneer Wealth Management Services Limited	Pioneer Money Management Limited	Pioneer Investment Advisory Services Limited	Pioneer Commodity Intermediaries Pvt. Limited	PINC Fund Advisors LLC	Pioneer Fundinvest Pvt. Limited
2	Financial Year of the Subsidiary ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
3	Date from which they became Subsidiary Companies	31.3.2007	25.04.2006	25.04.2006	08.05.2006	21.11.2006	25.05.2007	31.03.2008
4	Holding Company's interest No. of Equity Shares	1,85,00,000 Equity shares of face value of ₹ 10 each fully paid up and 6,00,000 Redeemable Preference shares of face value of ₹ 100 each fully paid up	69,90,000 Equity shares of face value of ₹ 10 each fully paid up	60,00,000 Equity shares of face value of ₹ 10 each fully paid up	50,000 Equity shares of face value of ₹ 10 each fully paid up	16,00,000 Equity shares of face value of ₹ 10 each fully paid up	1,00,000 Ordinary shares of face value of USD 1 each fully paid up	21,000 Equity shares of face value of ₹ 100 each fully paid up
5	- Extent of Holding	100%	100%	100%	100%	100%	100%	100%
5	The net aggregate amount of subsidiary's Profits/ (Losses) so far as it concerns the members of the Holding Company							

**STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY**

Name of the Subsidiary	Infinity.com Financial Securities Limited	Pioneer Wealth Management Services Limited	Pioneer Money Management Limited	Pioneer Investment Advisory Services Limited	Pioneer Commodity Intermediaries Pvt. Limited	PINC Fund Advisors LLC	Pioneer Fundinvest Pvt. Limited
(a) Not dealt with in the Holding Company's Accounts							
i) For the Financial Year ended 31.03.13 (₹)	12,801,582	(390,401)	2,783,455	11,072	(118,469)	(830,505)	(41,282)
ii) For the Financial Year ended 31.03.12 (₹)	19,925,291	(77,742)	(20,912)	4,529	(157,562)	(493,742)	(9,193)
(b) Dealt with in the Holding Company's Accounts							
i) For the Financial Year ended 31.03.13	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) For the Financial Year ended 31.03.12	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## **CONSOLIDATED FINANCIAL STATEMENTS**





**CONSOLIDATED PAST FINANCIAL HIGHLIGHTS**

(₹ in Crores)

YEAR	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
<b>STATEMENT OF PROFIT AND LOSS</b>							
Total Income	24.61	92.00	45.25	64.51	89.30	66.41	58.34
Interest	1.01	5.06	5.61	4.41	8.80	8.48	12.18
Depreciation	0.29	0.57	1.20	2.03	2.41	2.35	2.50
Profit Before Taxation	15.60	59.29	0.80	21.54	26.57	10.66	5.84
Profit After Taxation	10.80	45.74	(12.33)	15.07	17.18	6.03	4.24
<b>BALANCE SHEET EQUITIES &amp; LIABILITIES</b>							
Share Capital	9.34	25.42	22.08	12.83	12.89	12.89	12.89
Reserves & Surplus	17.53	76.30	61.25	84.56	100.43	107.03	111.26
Loan Funds	25.06	54.22	15.98	94.09	66.00	94.94	101.38
<b>TOTAL</b>	<b>51.93</b>	<b>155.94</b>	<b>99.31</b>	<b>191.48</b>	<b>179.32</b>	<b>214.86</b>	<b>225.53</b>
<b>ASSETS</b>							
Fixed Assets	6.25	10.66	13.45	13.99	50.77	85.55	69.81
Investments	11.51	30.85	6.23	6.33	6.77	6.61	6.86
Net Deferred Tax	(0.22)	(0.11)	(0.78)	(1.16)	(1.09)	0.99	1.32
Net Assets (Current and Non-current)	34.39	114.54	80.41	172.32	122.87	121.71	147.54
<b>TOTAL</b>	<b>51.93</b>	<b>155.94</b>	<b>99.31</b>	<b>191.48</b>	<b>179.32</b>	<b>214.86</b>	<b>225.53</b>
<b>KEY RATIOS</b>							
Earnings Per Share (₹)	10.15	40.40	(10.54)	12.42	14.00	4.90	3.45
Dividend Per Share (₹)	1.50	1.50	—	1.00	1.00	0.50	—
Book Value Per Share (₹)	32.46	96.33	69.89	80.57	93.03	96.72	99.88

## CONSOLIDATED AUDITORS' REPORT

TO,  
THE BOARD OF DIRECTORS OF PIONEER INVESTCORP LIMITED

1. We have audited the accompanying consolidated financial statements of PIONEER INVESTCORP LIMITED (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
  - (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
  - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**Other Matters**

6. In respect of financial statements of PINC Fund Advisors LLC (incorporated in Mauritius) we did not carry out the audit. These financial statements have been audited/reviewed by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of these subsidiary is based solely on the reports of other auditors. The financial statements of the said subsidiaries reflect total assets of ₹ 104,610 (previous year ₹ 76,314 ) as at 31st March 2013 and total revenues of ₹ Nil (previous year ₹ 3,122) for the year ended 31st March 2013.

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

**Nishit Dave**  
Partner  
M.No.: 120073  
Mumbai, 28th May, 2013

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013.

	Note No.	31.03.2013 ₹	31.03.2012 ₹
<b>EQUITIES &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	128,946,972	128,946,972
Reserves & Surplus	2	1,112,571,534	1,070,322,547
		<b>1,241,518,506</b>	<b>1,199,269,519</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	2,568,481	558,751,976
Other Long Term Liabilities	4	73,853,240	56,351,272
Long Term Provisions	5	24,371,504	23,614,489
		<b>100,793,225</b>	<b>638,717,737</b>
<b>Current Liabilities</b>			
Short Term Borrowings	6	1,011,220,515	383,471,764
Trade Payables	7	134,566,790	128,657,799
Other Current Liabilities	8	518,619,960	25,485,390
Short Term Provisions	9	2,473,819	8,777,938
		<b>1,666,881,084</b>	<b>546,392,891</b>
<b>Total - "A" + "B" + "C"</b>		<b>3,009,192,815</b>	<b>2,384,380,147</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		693,482,998	94,149,926
Intangible Assets		4,577,186	10,315,196
Capital Work-in-Progress		—	751,030,857
Non Current Investments	11	66,139,184	66,139,184
Long Term Loans & Advances	12	170,952,700	184,458,160
Deferred Tax Asset	13	13,246,426	9,881,926
		<b>948,398,494</b>	<b>1,115,975,249</b>
<b>Current Assets</b>			
Inventories	14	694,058,962	257,724
Current Investments	15	2,500,000	—
Trade Receivables	16	1,232,020,956	1,119,222,923
Cash & Cash Equivalants	17	83,706,411	126,975,322
Short Term Loans & Advances	18	45,625,249	18,108,547
Other Current Assets	19	2,882,743	3,840,382
		<b>2,060,794,321</b>	<b>1,268,404,898</b>
<b>Total - "A" + "B"</b>		<b>3,009,192,815</b>	<b>2,384,380,147</b>

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

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

**G.M.Gandhi**  
 Managing Director

**C.C.Dalal**  
 Director

**A.B.Desai**  
 Director

**C.M.Maniar**  
 Director

**Nishit Dave**  
 Partner  
 M.No. : 120073  
 Mumbai, 28th May, 2013

**Rakesh Bhatia**  
 CFO

**A.J.Chandra**  
 Company Secretary  
 Mumbai, 28th May, 2013

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013.

	Note No.	31.03.2013 ₹	31.03.2012 ₹
<b>INCOME</b>			
Income From Operations	20	423,167,862	633,145,496
Other Income	21	160,205,220	2,032,818
<b>Total Income</b>		<b>583,373,082</b>	<b>635,178,314</b>
<b>EXPENSES</b>			
Employee Benefit Expenses	22	172,429,661	266,544,669
Finance Cost	23	121,787,202	84,835,422
Depreciation and Amortization Cost	10	25,013,143	23,475,816
Other Expenses	24	205,697,112	153,749,147
<b>Total Expenses</b>		<b>524,927,118</b>	<b>528,605,054</b>
<b>PROFIT BEFORE TAX</b>		<b>58,445,964</b>	<b>106,573,259</b>
<b>Tax Expense</b>			
Less: Current Tax		(15,590,000)	(44,141,000)
Less: Earlier Years Tax		(3,800,846)	(22,906,734)
Add: Deferred Tax Assets		3,364,501	20,759,250
<b>PROFIT AFTER TAX</b>		<b>42,419,619</b>	<b>60,284,776</b>
<b>Earning Per Equity Share</b>			
Basic/Diluted		<b>3.45</b>	<b>4.90</b>

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

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

**Nishit Dave**  
 Partner  
 M.No. : 120073  
 Mumbai, 28th May, 2013

**G.M.Gandhi**  
 Managing Director

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**C.C.Dalal**  
 Director

**C.M.Maniar**  
 Director

**A.J.Chandra**  
 Company Secretary  
 Mumbai, 28th May, 2013

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2013

Sr. No.	Particulars	For the Year 31.03.2013 ₹	For the Year 31.03.2012 ₹
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit Before Tax and Extraordinary Items</b>	<b>58,445,964</b>	106,573,259
	Adjustments for :		
	Depreciation	25,013,143	23,475,816
	Employee Stock Compensation Expense	(113,400)	(170,100)
	Finance Cost	121,787,202	84,835,422
	Interest /Dividend	(7,887,931)	(7,171,621)
	Provision in diminution in the value	—	1,107,064
	Preliminary Expenses	32,140	43,560
	(Profit)/Loss on sale of Fixed Assets	98,015,756	1,251,965
	(Profit)/Loss on sale of Investments	—	(5,650,045)
	<b>Operating Profit Before Working Capital Changes</b>	<b>295,292,874</b>	204,295,320
	Adjustments for :		
	Trade & Other Receivables	(802,859,903)	59,125,421
	Trade Payables & Other Liabilities	107,368,864	(103,515,514)
	(Increase)/Decrease in Net Current Assets	(695,491,039)	(44,390,093)
	Cash Generated from Operations	(400,198,165)	159,905,227
	Direct Taxes Paid	(36,183,817)	(70,945,346)
	<b>Net Cash from Operating Activities</b>	<b>(436,381,982)</b>	88,959,881
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed assets	(104,305,453)	(372,610,142)
	Sale of Fixed Assets	138,712,350	45,484
	Purchase of Investments	(2,500,000)	(29,973,113)
	Sale of Investments	—	36,106,290
	Interest /Dividend	7,887,931	7,171,621
	<b>Net Cash Used in Investing Activities</b>	<b>39,794,828</b>	(359,259,860)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Term Loan Taken / (Repaid)	(152,553,934)	262,975,906
	Cash Credit/Overdraft Taken/(Repaid)	627,748,751	26,430,222
	Dividend	—	(6,148,454)
	Dividend Distribution Tax	—	(997,433)
	Share Premium	—	—
	Employee Stock Option Reserve Reversal on issue	—	—
	Capital Reserve	1,508,930	(1,508,930)
	Share Issue Exp	(32,140)	(34,260)
	Share Capital Issued	—	—
	Adjustment on account of disposal of Subsidiary Company	(1,543,185)	13,863,962
	Foreign Exchange Currency Translation Reserve Account	(22,978)	729,165
	Finance Cost	(121,787,202)	(84,835,422)
	<b>Net Cash from Financing activities</b>	<b>353,318,243</b>	210,474,756
	<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>(43,268,911)</b>	(59,825,223)
	<b>Cash &amp; Cash Equivalents at the beginning of the Year</b>	<b>126,975,322</b>	186,800,546
	<b>Cash &amp; Cash Equivalents at the close of the Year</b>	<b>83,706,411</b>	126,975,322

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**  
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 CFO

**A.J.Chandra**  
 Company Secretary

Mumbai, 28th May, 2013

Mumbai, 28th May, 2013

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS

### SIGNIFICANT ACCOUNTING POLICIES

#### 1) Basis of Consolidation

##### a) Basis of Preparation

The individual Balance Sheet as at March 31, 2013 and Statement of Profit and Loss for the year ended March 31, 2013 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, 2013 and Statement of Profit and Loss for the year ended March 31, 2013 of following subsidiaries are included in consolidation.

Pioneer Wealth Management Services Limited

Pioneer Money Management Limited

Pioneer Investment Advisory Services Limited

Pioneer Commodity Intermediaries Private Limited

Infinity.com Financial Securities Limited

PINC Fund Advisors LLC (incorporated in Mauritius)

Pioneer Fund Invest Pvt. Ltd.

PINC Energy Resources Private Limited a wholly owned subsidiary of Pioneer Investcorp Limited disposed off during the year, hence the same is not considered in the preparation of these Consolidated Financial Statements.

#### 2) Basis of preparation of financial statements

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

#### 3) Depreciation on Fixed Assets

(a) Depreciation is provided on Straight Line Method/Written Down Value at the rates specified in Schedule XIV of the Companies Act, 1956.

(b) Depreciation on assets acquired or sold during the year/period has been charged pro-rata from/up to the date of acquisition/sale of the assets.

(c) Intangible assets such as software, leasehold office premises etc are amortized over a period of Five (5) years

#### 4) Inventories

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

#### 5) Stock Futures/Options:

##### (a) Future Contracts

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

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

**(b) Option Contract**

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

**6) Borrowing Cost**

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

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

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

**7) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments.

Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if in the opinion of the management, such diminution is other than temporary.

**8) Revenue Recognition**

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



## **9) Foreign Exchange Transactions**

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

## **10) Retirement Benefits**

### **(a) Defined Contribution Plan**

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

### **(b) Defined Benefit Plan**

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

## **11) Deferred Employee Stock Compensation**

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

## **12) Assets on Operating Leases**

Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease and license agreements.

## **13) 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.

## **14) 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.

## **15) 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.

## **16) Impairment of Assets**

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

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

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

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

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>Note No.: 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
25,000,000 Equity Shares of ₹ 10/- each (Previous Year: 25,000,000 Equity Shares of ₹ 10/- each)	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
<b>Issued, Subscribed &amp; Fully Paid Up Shares</b>		
1,22,96,908 Equity Shares of ₹ 10/- each (Previous Year: 1,22,96,908 Equity Shares of ₹ 10/- each)	122,969,080	122,969,080
Add :Amount paid up on Shares Forfeited	5,977,892	5,977,892
<b>Total Issued, Subscribed &amp; Fully Paid up Share Capital</b>	<u>128,946,972</u>	<u>128,946,972</u>
<b>A) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:</b>		
<b>At the beginning of the reporting period:</b>		
1,22,96,908 (Previous Year 1,22,96,908) Equity Shares of ₹ 10/- each	122,969,080	122,969,080
<b>Issued during the period- ESOP</b>		
Nil (Previous Year Nil) Equity Shares of ₹ 10/- each	—	—
<b>Outstanding at the end of the period:</b>		
1,22,96,908 (Previous Year 1,22,96,908) Equity Shares of ₹ 10/- each	<u>122,969,080</u>	<u>122,969,080</u>
<b>B) Details of Shareholders holding more than 5% shares in the Company:</b>		
Gaurang M. Gandhi 61,61,663 (P.Y. 61,61,663) equity shares of ₹ 10/- each fully paid	50.11%	50.11%
<b>C) Rights attached to equity shares</b>		
The company has only one class of issued equity shares having a par value of ₹ 10/- per share. Each holder of equity share entitled to one vote per share. The company declares and pays dividend in Indian Rupees		
<b>Note No.: 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Balance as per Last Financial Statement	313,828,549	313,828,549
Add: Transfer From Statement of Profit & Loss	—	—
Closing Balance	<u>313,828,549</u>	<u>313,828,549</u>
<b>Securities Premium</b>	111,192,453	111,192,453
<b>Employees Stock Options</b>	1,158,571	1,271,971
<b>Capital Reserve</b>	135,132,166	133,623,236
<b>Capital (Amalgamation) Reserve A/c</b>	119,483,021	119,483,021
<b>Foreign Exchange Currency Translation Reserve Account</b>	109,770	132,748
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Balance as per Last Financial Statement	390,790,570	323,787,719
Profit for the Year	42,419,619	60,284,776
Add: Adjustment on account of PINC Energy Resources Pvt. Ltd. (Previous year - Adjustment on account of PINC International (Singapore) Pte. Ltd.)	(1,543,185)	13,863,962
Less: Appropriations	—	—
Proposed Dividend	—	6,148,454
Dividend Distribution Tax	—	997,433
Transferred to General Reserve	—	—
<b>Net Surplus in the Statement of Profit &amp; Loss</b>	<u>431,667,004</u>	<u>390,790,570</u>
<b>Total Reserves &amp; Surplus</b>	<u>1,112,571,534</u>	<u>1,070,322,547</u>

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	31.03.2013 ₹	31.03.2012 ₹
<b>Note No.: 3</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>From Banks</b>		
Term Loans	2,568,481	414,107,606
<b>From Financial Institutions-Term Loans</b>	—	144,644,370
	<u>2,568,481</u>	<u>558,751,976</u>
<b>Note:</b> Term Loans are secured by first charge on mortgage of office premises, all moveable capital assets and hypothecation of vehicles		
<b>Note No.: 4</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Unclaimed Dividends	1,169,115	1,157,143
Advance From clients	5,100,000	5,100,000
<b>Trade Payables</b>		
Due to Other than SMEs		
For Expenses	1,686,172	720,314
Others	65,897,953	49,373,815
	<u>73,853,240</u>	<u>56,351,272</u>
<b>Note No.: 5</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Employee Benefits	24,371,504	23,614,489
	<u>24,371,504</u>	<u>23,614,489</u>
<b>Note No.: 6</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured Loans from Banks</b>		
Cash Credit	1,011,220,515	383,471,764
	<u>1,011,220,515</u>	<u>383,471,764</u>
Cash Credit facilities are secured against pledge of Government Securities and Bonds.		
<b>Note No.: 7</b>		
<b>TRADE PAYABLES</b>		
<b>Due to Other than SMEs</b>		
For Expenses	13,042,555	12,368,679
For Others	109,232,873	65,719,635
For Securities and Bonds	12,291,362	50,569,485
	<u>134,566,790</u>	<u>128,657,799</u>
<b>Note No.: 8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Advance received for sale of office premises	65,570,728	—
Security Deposits	32,353,861	—
Current maturities/prepayments of long term borrowings	410,764,788	7,135,227
Duties & Taxes Payable	9,930,583	18,350,163
	<u>518,619,960</u>	<u>25,485,390</u>
<b>Note No.: 9</b>		
<b>SHORT TERM PROVISIONS</b>		
Dividend Payable	—	6,148,454
Dividend Distribution Tax Payable	—	997,433
Provision for Employee Benefits	2,473,819	1,632,051
	<u>2,473,819</u>	<u>8,777,938</u>

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

Note No.: 10

**FIXED ASSETS**

Particulars of Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2012 year ₹	Additions during the year ₹	Deductions during the year ₹	As on 31.03.2013 ₹	Upto 31.03.2012 ₹	For the year ₹	Deductions/ Adjustments ₹	Upto 31.03.2013 ₹	As on 31.03.2013 ₹	As on 31.03.2012 ₹
<b>TANGIBLE</b>										
Office Premises	14,328,820	852,218,140	214,803,368	651,743,592	3,247,938	1,982,694	297,370	4,933,262	646,810,330	11,080,882
Leasehold Office Premises	16,726,567	—	9,422,339	7,304,228	8,963,853	3,345,313	5,555,059	6,754,107	550,121	7,762,714
Office Equipments **	83,474,675	183,780	22,016,885	61,641,570	40,688,240	10,710,216	11,463,514	39,934,942	21,706,628	42,786,435
Furniture & Fixtures**	37,075,275	—	10,373,297	26,701,978	10,600,843	2,309,944	2,571,840	10,338,947	16,363,031	26,474,432
Vehicles	10,635,096	2,934,391	—	13,569,487	4,589,632	926,966	—	5,516,598	8,052,889	6,045,464
<b>Total</b>	<b>162,240,433</b>	<b>855,336,311</b>	<b>256,615,889</b>	<b>760,960,855</b>	<b>68,090,507</b>	<b>19,275,133</b>	<b>19,887,783</b>	<b>67,477,857</b>	<b>693,482,998</b>	<b>94,149,926</b>
Previous Year	161,748,354	2,417,642	1,925,563	162,240,433	51,010,348	17,708,273	628,114	68,090,507	94,149,926	110,738,006
<b>INTANGIBLE</b>										
Software	28,833,442	—	—	28,833,442	18,518,245	5,738,010	—	24,256,255	4,577,187	10,315,197
License Fees	960,731	—	—	960,731	960,731	—	—	960,731	—	—
<b>Total</b>	<b>29,794,173</b>	<b>—</b>	<b>—</b>	<b>29,794,173</b>	<b>19,478,976</b>	<b>5,738,010</b>	<b>—</b>	<b>25,216,986</b>	<b>4,577,187</b>	<b>10,315,197</b>
Previous Year	29,794,173	—	—	29,794,173	13,711,434	5,767,543	—	19,478,976	10,315,197	16,082,739
Tangible Capital Work-in-progress*						25,013,143				751,030,857

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

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	31.03.2013 ₹	31.03.2012 ₹
<b>Note No.: 11</b>		
<b>NON CURRENT TRADE INVESTMENTS</b>		
<b>{Long Term, at cost}</b>		
<b>(A) 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 2013 is ₹ 118,364 (previous year ₹ 128,679))	1,235,744	1,235,744
Divine Multimedia India Ltd. (176,602 fully paid Equity Shares (previous year 176,602) of ₹ 1- each) (Market Value as on 31st March 2013 is ₹ 1,201,571 (previous year ₹ 7,112,246))	4,935,589	4,935,589
Less : Provision for diminution	1,107,064	1,107,064
<b>Total (A)</b>	<b>5,064,269</b>	<b>5,064,269</b>
<b>Unquoted</b>		
<b>(A) Investments in Associate Companies</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>(B) Investments in Other Companies</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>61,074,915</b>	<b>61,074,915</b>
<b>Total Non-current Investments (A+B)</b>	<b>66,139,184</b>	<b>66,139,184</b>
<b>Note No.: 12</b>		
<b>LONG TERMS LOANS &amp; ADVANCES</b>		
(Unsecured Considered Good Unless Otherwise Stated)		
Security Deposits	49,116,416	50,710,430
Advances to Subsidiaries/Associates	5,000,000	5,000,000
Advances to Staff	31,714,828	33,827,000
Trade Receivables	—	9,802,569
Other Advances	85,121,456	85,118,161
	<b>170,952,700</b>	<b>184,458,160</b>
<b>Note No.: 13</b>		
<b>DEFERRED TAX ASSET</b>		
On Account of Depreciation Difference	(2,731,787)	(15,145,958)
On Account of 43B disallowances	8,709,965	8,604,961
On Account of brought forward lossess	7,268,248	16,422,923
	<b>13,246,426</b>	<b>9,881,926</b>
<b>Note No.: 14</b>		
<b>INVENTORIES</b>		
(Valued at cost as taken and Certified by the Management)		
Stock In Trade		
Government Securities / Bonds	694,058,962	257,724
	<b>694,058,962</b>	<b>257,724</b>

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	31.03.2013 ₹	31.03.2012 ₹
<b>Note No.: 15</b>		
<b>CURRENT TRADE INVESTMENTS</b>		
(valued at lower of cost or realisable value)		
Unquoted		
Liquid fund growth scheme of union KBC mutual fund (2,325.446 units of ₹ 1,075.06 each (previous year Nil))	2,500,000	—
(Market Value as on 31st March 2013 is ₹ 2,740,822 (previous year ₹ Nil))		
<b>Total Current Investments</b>	<b>2,500,000</b>	<b>—</b>
<b>Note No.: 16</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due	5,416,993	853,905
Others	1,226,603,963	1,118,369,018
	<b>1,232,020,956</b>	<b>1,119,222,923</b>
<b>Note No.: 17</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
<b>Balance with Banks</b>		
In Fixed Deposits - maturity of more than 12 months	42,288,689	57,046,050
In Current Accounts	41,104,708	69,366,914
Cash On Hand	313,014	562,358
	<b>83,706,411</b>	<b>126,975,322</b>
<b>Note No.: 18</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured considered good unless otherwise stated)		
Advance Tax (Net)	26,488,183	9,695,212
Security Deposits	4,049,335	—
Advances recoverable in cash or in kind for the value received	—	2,599,509
Prepaid Expenses	3,282,478	3,806,188
Other Advances	804,800	—
Balance with Government Authorities	11,000,453	2,007,638
	<b>45,625,249</b>	<b>18,108,547</b>
<b>Note No.: 19</b>		
<b>OTHER CURRENT ASSETS</b>		
<b>Miscellaneous Expenditure</b>		
Preliminary Expenditure (to the extent not written off)	—	23,490
Deferred Expenditure (to the extent not written off)	30,780	62,270
Foreign Exchange Fluctuation	—	—
Accrued Interest	2,851,963	3,754,622
	<b>2,882,743</b>	<b>3,840,382</b>

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	31.03.2013 ₹	31.03.2012 ₹
<b>Note No.: 20</b>		
<b>REVENUE FROM OPERATIONS</b>		
I) Investment Banking and Advisory Fees/Commodity	168,196,672	504,575,612
II) Brokerage and Depository Services	15,064,250	44,470,610
III) Income from Trading in Securities/Commodities		
A. From Trading		
Sales (a)	257,122,868,588	89,960,315,394
Closing Inventory (b)	694,058,962	257,724
Purchases (c)	257,628,004,466	89,871,859,555
Opening Inventory (d)	257,724	43,532,426
<b>Sub-Total A (a+b-c-d)</b>	<u>188,665,360</u>	<u>45,181,137</u>
B. From Others	51,241,580	38,918,137
<b>Sub-Total C (A+B)</b>	<u>239,906,940</u>	<u>84,099,274</u>
<b>Total (I+II+III)</b>	<u>423,167,862</u>	<u>633,145,496</u>
<b>Note No.: 21</b>		
<b>OTHER INCOME</b>		
Interest Income	7,885,286	7,050,930
Dividend	2,645	120,691
Income from trading in commodities	1,935,320	—
Net Gain / (Loss) on Sale of Investments	—	5,650,045
Profit/(Loss) on disposal of subsidiary	150,000,000	(28,996,662)
Foreign Exchange Rate Difference	21,850	16,030,000
Miscellaneous Income	360,119	2,177,814
	<u>160,205,220</u>	<u>2,032,818</u>
<b>Note No.: 22</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Bonus	164,691,742	248,546,122
Gratuity	2,400,222	7,395,624
Contribution to Provident Fund	4,331,639	7,541,866
Staff Welfare	1,006,058	3,061,057
	<u>172,429,661</u>	<u>266,544,669</u>
<b>Note No.: 23</b>		
<b>FINANCE COSTS</b>		
Interest		
to Banks	104,666,604	72,170,769
to others	712,501	90,411
for delayed payments	2,835,022	4,141,300
Bank Commission	13,573,075	8,432,942
	<u>121,787,202</u>	<u>84,835,422</u>



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>Note No.: 24</b>		
<b>OTHER EXPENSES</b>		
Rent	26,394,826	29,698,835
Business Promotion Expenses	5,096,534	6,109,438
Power and Fuel	2,647,023	2,567,558
Computer and Software Expenses	1,340,705	2,133,533
Membership and Subscription	146,068	9,554,602
Repairs & Maintenance	9,456,886	5,230,664
Office Expenses	1,074,238	2,202,831
Postage, Telex and Telephones	4,925,658	9,335,349
Printing and Stationery	416,892	1,809,405
Directors' Sitting Fees	321,536	391,940
Travelling and Conveyance	12,181,085	27,192,366
Motor Car Expenses	8,832,997	10,569,299
Legal and Professional Charges	20,411,893	31,715,252
Diminution in the value of Investments	—	1,107,064
Donation	535,000	326,000
Stock Exchange Charges	1,969,975	1,072,609
Auditors' Remuneration:		
Audit Fees	656,180	712,360
Tax Audit Fees	50,000	50,000
Certification work	180,000	180,000
Preliminary Expenses w/off	650	12,070
Amortisation of Share Issue Expenses	31,490	31,490
Loss on sale of Fixed Asset	98,015,756	—
Miscellaneous Expenses	11,011,720	11,746,482
	<u>205,697,112</u>	<u>153,749,147</u>
<b>Note No.: 25</b>		
<b>EARNINGS PER SHARE</b>		
Net Profit as per Profit & Loss Account (A) (₹)	42,419,619	60,284,776
Weighted average number of Equity Share used in computing		
Basic/Diluted earning per share (B)	12,296,908	12,296,908
Earning Per Share (₹) Basic/Diluted- (A/B)	3.45	4.90
<b>Note No.: 26</b>		
<b>FOREIGN CURRENCY TRANSACTIONS</b>		
Foreign Earnings		
Professional Fees	39,602,393	232,717,222
Other Income	—	69,079
Foreign Expenses		
Travelling	644,004	987,997
Books & Periodicals	—	16,947
Subscription Charges	—	1,239,533
Professional Fees	408,846	1,284,989
	<u>1,052,850</u>	<u>3,529,466</u>
<b>Note No.: 27</b>		
<b>CONTINGENT LIABILITY</b>		
Counter Guarantees given to banks	390,000,000	390,000,000
Guarantees issued by banks in the books of subsidiaries	37,800,000	85,800,000
Against pledge of fixed deposits	19,667,628	52,346,610

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note No.: 28

### SEGMENT REPORTING

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

	Advisory & Merchant Banking Fees	Income From Coal and Energy Resources	Income From Securities/ Investments	Equity Brokerage and related Income	Total As on 31.3.2013
	₹	₹	₹	₹	₹
<b>Segment Revenue</b>	<b>168,218,522</b>	<b>—</b>	<b>239,906,940</b>	<b>19,453,148</b>	<b>427,578,610</b>
	452,823,222	74,290,526	83,262,624	50,878,903	661,255,275
Add:Unallocated Revenue	—	—	—	—	<b>155,794,472</b>
	—	—	—	—	(26,076,961)
<b>Total Revenue</b>	<b>168,218,522</b>	<b>74,290,526</b>	<b>239,906,940</b>	<b>19,453,148</b>	<b>583,373,082</b>
	452,823,222	148,581,052	83,262,624	50,878,903	635,178,314
Segment Result before Tax	<b>48,435,745</b>	<b>—</b>	<b>162,029,714</b>	<b>10,379,909</b>	<b>220,845,368</b>
	351,924,983	46,778,765	25,291,923	34,735,183	458,730,854
Add:Unallocated Income/(Expenses)(net)	—	—	—	—	<b>(162,399,404)</b>
	—	—	—	—	(352,157,595)
<b>Operating Profit</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>58,445,964</b>
	—	—	—	—	106,573,259
Finance Charges	—	—	—	—	—
	—	—	—	—	—
Extraordinary Items	—	—	—	—	—
	—	—	—	—	—
Provision for Tax	—	—	—	—	<b>(12,225,499)</b>
	—	—	—	—	(23,381,750)
Provision for Tax for earlier years	—	—	—	—	<b>(3,800,846)</b>
	—	—	—	—	(22,906,734)
<b>Net Profit</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>42,419,619</b>
	—	—	—	—	60,284,776
Segment Assets	<b>18,577,568</b>	<b>—</b>	<b>2,005,335,502</b>	<b>35,468,964</b>	<b>2,059,382,034</b>
	207,156,772	—	978,463,059	101,241,603	1,286,861,434
Add:Unallocated Assets	—	—	—	—	<b>949,810,781</b>
	—	—	—	—	1,293,653,213
<b>Total Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,009,192,815</b>
	—	—	—	—	2,580,514,647
Segment Liabilities	<b>5,100,000</b>	<b>—</b>	<b>686,315,198</b>	<b>98,166,017</b>	<b>789,581,215</b>
	17,315,725	—	51,407,792	112,557,544	181,281,061
Add:Unallocated Liabilities	—	—	—	—	<b>978,093,094</b>
	—	—	—	—	1,199,964,067
<b>Total liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,767,674,309</b>
	—	—	—	—	1,381,245,129
Capital Expenditure	—	—	—	—	<b>104,305,454</b>
	—	—	—	—	372,610,142
Depreciation	—	—	—	—	—
	—	—	—	—	—
Unallocated Depreciation	—	—	—	—	<b>25,013,143</b>
	—	—	—	—	23,475,816
<b>Total Depreciation</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>25,013,143</b>
	—	—	—	—	23,475,816

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

29. During the year, the company has disposed-off the entire shares of its wholly owned subsidiary company PINC Energy Resources Private Limited and surplus earned has been considered separately in the accounts. Hence the same is not considered in the preparation of these Consolidated Financial Statements.
30. The Consolidated Financial Statements envisage combining of financial statements of Pioneer Investcorp Ltd., and its following domestic and foreign subsidiaries:

Name of Subsidiary	% holding of Pioneer Investcorp Ltd.	Date of Financial Statement
Pioneer Wealth Management Services Limited	100	31st March, 2013
Pioneer Money Management Limited	100	31st March, 2013
Pioneer Investment Advisory Services Limited	100	31st March, 2013
Pioneer Commodity Intermediaries Private Limited	100	31st March, 2013
Infinity.com Financial Securities Limited	100	31st March, 2013
PINC Fund Advisors LLC	100	31st March, 2013
Pioneer Fundinvest Private Limited	100	31st March, 2013

### 31. Related Party Disclosures

#### Category I : Key Management Personnel

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

#### Category – II - 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) Extempore Securities & Investment Pvt. Ltd.
- (8) Associated Capital Market Management Pvt. Ltd.
- (9) Sargam Multitrade Pvt. Ltd.
- (10) Devraj Properties Pvt. Ltd.
- (11) L.Gordhandas & Co. Clearing Agent Pvt. Ltd.
- (12) Benefit Reality Pvt. Ltd.
- (13) Festive Multitrade Pvt. Ltd.

#### Category III : Associate Concern

- (1) Associated Instruments & Services

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Details of related party transaction carried out during the year ended 31st March, 2013

<b>Nature of Transactions</b>	<b>31.03.2013</b>	31.03.2012
	₹	₹
<b>Details of transactions with key management personnels (referred as category-I)</b>		
Remuneration	18,176,036	23,306,256
Sale of Securities	561,750	30,317,190
Purchase of Securities	2,216,025	42,012,187
Brokerage earned on purchase/sale of securities	926	80,803
Brokerage earned on F&O transactions	9,506	1,700
Closing Balances (Debit/(Credit))	(2,870,386)	(2,374,249)
<b>Details of transactions with entities under common control (referred as category-II)</b>		
Sale of Securities	621,336,810	274,952,485
Purchase of Securities	440,196,295	121,921,677
Rent Received	120,000	—
Security Deposit Received	20,000,000	—
Brokerage earned on purchase/sale of securities	14,406	31,399
Brokerage earned on F&O transactions	1,999,201	2,451,269
Reimbursement of Expenses	(1,317,160)	—
Closing Balances (Debit/(Credit))	60,502,542	(38,989,610)

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

Signature to Notes 1 to 32

**For Jayesh Dadia & Associates**

Firm Reg. No. 121142W

Chartered Accountants

**G.M.Gandhi**  
Managing Director

**C.C.Dalal**  
Director

**A.B.Desai**  
Director

**C.M.Maniar**  
Director

**Nishit Dave**

Partner

M.No. : 120073

Mumbai, 28th May 2013

**Rakesh Bhatia**  
CFO

**A.J.Chandra**  
Company Secretary

Mumbai, 28th May, 2013

**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)

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I hereby record my presence at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company at Kilchand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai 400 020 on Monday, 12th August, 2013 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 Eighth Annual General Meeting of the Company to be held on Monday, 12th August, 2013 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 \_\_\_\_\_ 2013.

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**

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