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PIONEER INVESTCORP LIMITED | ANNUAL REPORT 2008 - 09

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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

COMPANY SECRETARY

Mr. A. J. Chandra

AUDITORS

M/s. Jayesh Dadia & Associates
Chartered Accountants

REGISTERED OFFICE

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

REGISTRARS & SHARE TRANSFER AGENTS

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

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of Pioneer Investcorp Limited will be held on Thursday, 3rd September, 2009, 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, 2009 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 Statutory Auditors.

“RESOLVED THAT M/s. Jayesh Dadia & Associates, Chartered Accountants, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors, which remuneration may be paid on a progressive billing basis to be agreed between the Auditors and the Board of Directors”.

By order of the Board,

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

Amit Chandra
Company Secretary

Dated: 29th July, 2009.

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 29th August, 2009, to 3rd September, 2009, (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	30th January, 2006	Interim Dividend 2005-06	1st March, 2013.
2	31st August, 2006	Final Dividend 2005-06	30th September, 2013.
3	20th September, 2007	Dividend 2006-07	20th October, 2014.
4	21st August, 2008	Dividend 2007-08	21st September, 2015.

It may be noted that no claim of the shareholders will be entertained for 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@satellitetcorporate.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.

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting their Twenty Fourth Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the year ended 31st March, 2009.

Financial Highlights	2008-2009 (Rupees in lakhs)	2007-2008 (Rupees in lakhs)
Profit before Tax	47.56	4249.54
Less:- Provision for Tax	16.50	1239.93
Less:- Fringe Benefit Tax	10.39	5.52
Less: Deferred Tax Liabilities	72.46	30.06
Less:- Prior Period Item (net of tax expense)	1155.29	—
Less: Short Provision for Tax for Earlier Years	30.25	3.10
Net Profit/(Loss) after Tax	(1237.33)	2970.92
Add: Balance Brought Forward from the Previous Financial Year	1798.49	532.19
Less: Proposed Dividend	—	174.90
Less: Tax on Proposed Dividend	—	29.72
Less: Transfer to General Reserve	—	1500.00
Balance Carried Forward to Balance Sheet	561.16	1798.49

Performance Review

The year under review was one of the most challenging for the financial services sector across the world. The fundamentals of investment banking models were challenged worldwide. The Indian financial market experienced the volatility in tandem with the global turmoil. An unabated exodus of Foreign Institutional Investors in the first three quarters of the financial year resulted in Sensex plummeting to 8000 level, lowest since 2005. The total outflows due to Foreign Institutional Investors for the year under consideration was to the tune of US \$ 11.36 bn (previous year inflow of US \$ 15.79 bn), with no action in the primary market (total Initial Public Offer previous year of US \$ 12.85 bn). Despite the extremely challenging environment, the Company managed to endure this difficult period and that enable it to enter Financial Year 2009-10 with a steady financial position and a long-term potential to capitalise on the carnage that is ravaging our industry. In addition, the Company has made changes to its cost structure and human resources that increased its flexibility in the operations on reduction of cost and increasing operational efficiency.

During the year under review, despite many challenges the company continued to strengthen its core competency of Investment Banking by rendering project and financial advisory services including private placement of Equities and issue of Bonds/GDRs/FCCBs to its various corporate clients and industrial houses.

We, at Pioneer, were not immune to the global turmoil, which resulted in decline in revenues and profit. While, gross revenues declined by 63% to Rs.2184.78 lakhs as against Rs.5861.16 lakhs in the previous year, resulting in decline in Profit before tax of the Company.

While the Company has not avoided every obstacle but it is confident that the Company's clients are able to rely on its relative strength and stability during the tough economic times.

Increase in Share Capital

During the year under review, the Company issued:

- 1) 10,86,250 Equity Shares to Mr. Gaurang Gandhi and 83 Equity Shares to Mr. Hemang Gandhi pursuant to Scheme of Amalgamation of Pioneer Tradestock Pvt. Ltd. with Pioneer Investcorp Ltd. approved by the Hon'ble High Court of Bombay;
- 2) 7,000 Equity Shares on the exercise of stock options to Non-Executive Independent Directors under "Pioneer Investcorp Ltd. - Employee Stock Options Scheme - 2006";
- 3) 2,85,000 Equity Shares to Mr. Gaurang Gandhi, Promoter and Managing Director of the Company on conversion of equivalent numbers of Warrants issued on Preferential basis; and
- 4) 85,000 Equity Shares to Mr. Gaurang Gandhi, Promoter and Managing Director of the Company on conversion of equivalent numbers of Warrants issued on Preferential basis.

Due to this, the issued, subscribed and paid up Equity Share Capital increased from Rs.1056.65 lakhs to Rs.1202.98 lakhs as of March 31st, 2009.

Dividend

The Company was consistent in distribution and payment of dividend to its shareholders during the last three years, however due to losses in the year under consideration, your Directors do not recommend any dividend for the year ended 31st March, 2009.

Subsidiary Companies and Consolidated Financial Statements

During the year under review, the Company's Wholly Owned Subsidiary Company Pioneer Investcorp International Ltd. regulated by Dubai International Financial Centre (DIFC) Dubai, has initiated the process of voluntary winding up since there was no longer a compelling economic reason for the Company to operate in or from the DIFC. Consequently, the said subsidiary's figures were not considered in the Consolidation of Financial statement for the year ended 31st March, 2009.

On an application made by the Company, the Ministry of Corporate Affairs has granted exemption under Section 212(8) of the Companies Act, 1956, from attaching to the Holding Company's Balance Sheet, Accounts and other documents of all its existing Subsidiaries, including its overseas Subsidiaries. Copies of the annual audited Accounts of all its existing Subsidiaries, including its overseas Subsidiaries, can also be sought by a member of the Company on making a written request to the Company in this regard. The Accounts of these Subsidiaries are available for inspection for members of the Company at the registered office of the Company. The Company has attached the Consolidated Financial Statements in this Annual Report, which includes the financial of all its existing Subsidiaries, except figures of Pioneer Investcorp International Ltd., being under voluntary winding up. From the Consolidated Financial statements it may be observed that Revenue and Profit before Tax for the year under review are Rs.4524.95 lakhs and Rs.80.26 lakhs respectively.

Directors Responsibility Statement

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

- i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
- ii) The Directors had selected such accounting policies and have applied them consistently and made judgements 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, 2009, 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 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, Director of the Company retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual general Meeting of the Company.

As per the requirements of the Clause 49 of the Listing Agreement, brief resume of the Director proposed to be re-appointed, his qualification, experience and the names of the Companies in which he holds directorship, membership of the board committees, is provided in the Corporate Governance Report forming part of the Annual Report.

Auditors and Auditors Report

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

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

Particulars of Employees

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

Conservation of Energy, Technology Absorption, Foreign Earnings and Outgoings

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

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

Employee Stock Option Schemes

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

Corporate Governance Report

The Company has complied with all the mandatory provisions of the revised Clause 49 of the Listing Agreement. As part of the Company's efforts 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
29th July, 2009.

G. M. Gandhi
Managing Director

C. C. Dalal
Director

ANNEXURE TO THE DIRECTORS' REPORT

Employee Stock Option Scheme

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

The Disclosures of both these Schemes, as on 31st March, 2009, in terms of Clause 12 of SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999, are as follows :-

Particulars	ESOP Scheme - 2006	ESOP Scheme - 2007
a. Total grants authorized by the Plan (No.)	10,00,000	20,00,000
b. Pricing formula on date of grant	It is discounted to 30% of the closing market price of the Shares of the Company at Bombay Stock Exchange Limited prior to the day on which the options were granted.	It is the closing market price of the Shares of the Company at Bombay Stock Exchange Limited prior to the day on which the options were granted.
c. Variation in terms	No variations made in the terms of the options granted.	No variations made in the terms of the options granted.
d. Options granted during the year (No.)	Nil	Nil
e. Weighted Average Price per option granted	Rs.22.05	Rs.100.52
f. Options vested as of March 31, 2009 (No.)	4,70,250	3,89,025
g. Options exercised during the year (No.)	7,000	Nil
h. Money raised on exercise of options	Rs.1,54,350/- (Rupees One lakh fifty four thousand three hundred fifty only)	Nil
i. Options forfeited and lapsed during the year (No.)	3,02,250	3,74,000
j. Total number of options in force at the end of the year (No.)	4,94,600	11,11,500
k. Employee-wise details of options granted to		
i) Senior Management	None	None
ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year.	None	None

Particulars	ESOP Scheme - 2006	ESOP Scheme - 2007
iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	None
l. Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with (Accounting Standard (AS) 20 Earnings per share).	Rs. 0.70.	Rs. 0.70.
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.	<p>Increase in profit by Rs.30,81,331.</p> <p>Increase in Basic EPS - Rs.0.26.</p> <p>Increase in Diluted EPS - Rs.0.26.</p>	<p>Decrease in profit by Rs.95,24,442.</p> <p>Decrease in Basic EPS - Rs.0.81.</p> <p>Decrease in Diluted EPS - Rs.0.81.</p>
n. Weighted - average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	<p>Exercise Price - Rs.22.05.</p> <p>Fair Value - Rs.17.92.</p>	<p>Exercise Price - Rs.100.52.</p> <p>Fair Value - Rs.46.80.</p>
o. A Description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information :		
(a) Risk free interest rate	8%	8%
(b) Expected life	4 - 7 Years	4 - 6 Years
(c) Expected volatility	48.89%	26.64% - 64.36%
(d) Expected dividends	1.59%	0.42% to 2.15%
(e) Price of the underlying share in the market at the time of option grant	Rs.31.50.	Rs.58.20. - Rs.294.61.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

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

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

CORPORATE STRUCTURE

The structure of its Wholly Owned Subsidiary Companies, their nature of Activities is as below:

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

Other Wholly Owned Subsidiaries are Pioneer Commodity Intermediaries Pvt. Ltd. – Trading cum Clearing Member of NCDEX and MCX, Pioneer Money Management Ltd. – Investment Company and Pioneer Investment Advisory Services Ltd. – Advisory & Consultancy. Pioneer Investcorp International Ltd., an Overseas Dubai based wholly owned subsidiary Company, is under voluntary winding up.

OUTLOOK AND OPPORTUNITIES

Financial year 2008-09 witnessed the most challenging business environment for Indian capital market. Since the last report, the Global financial markets have been battered by a series of exceptional and turbulent events including large number of Banks become Bankrupt in U.S. Indian equity market hit a low that it never witnessed since 2005 and equity trading volume reduced to nearly a third to the peak of the value. Primary market was completely frozen with no activity in this Financial Year. The activity shrank across all the segments of the market including Debt, Foreign Direct Investment etc. witnessing record low activity. However, there was a silver line in the dark cloud of financial year 2009 with activity getting intensified in the last three months. The market ended the year under consideration on a positive note with financial institutional investors coming back to the Indian capital market with positive FII inflow in the last three months resulting in financial year under consideration ended on a positive note.

The financial year under consideration has secured its place in the history as one of the toughest periods for the Global Economy. According to the World Bank, global economy would shrink by 2.9% in calendar year 2009 for the first time since the Second World War. The year witnessed bankruptcy of financial behemoths like Bear Sterns and Lehman Brothers, along with many other prominent bankruptcies in the financial market across the globe. The commodity price plummeted to nearly half of their peak value and Baltic Dry Index, a leading indicator of global trade, falling by 95%. The turmoil in global economy resulted in exodus of foreign institutional investors from India leading to rupee depreciating to Rs.51 per US Dollar.

The global financial market has showed strong bias towards the emerging economies as they continued their expansion. The Company believes that emerging markets like India and China would outperform the western economies. As Indian economy end the last financial year on the positive note with foreign institutional investors coming back to the Indian capital market, the Company expect its resilient business model to start showing good tractions.

GDP in the advanced economies is projected to decline by 3.8% in 2009 before growing by 0.6% in 2010. Although the projections are 0.6% points higher than in the April IMF forecast, growth in 2010 would still fall short of potential until late in the year, implying continuing increases in unemployment. Despite the challenging environment in the advanced economy, the emerging economies are expected to lead the growth. Emerging and developing economies are projected to regain growth momentum during the second half of 2009, albeit with notable regional differences. According to IMF, growth projections in emerging Asia have been revised upward to 5.5% in 2009 and 7.0% in 2010. The upgrade owes to improved prospects in China and India, in part reflecting substantial macroeconomic stimulus; and a faster-than-expected turnaround in capital flows.

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

The Company is confident that while sailing through this turbulent stage of economy, it will move up the league both in scale and presence and the Company should be in sound position to reap the benefits of the changing situation of the Indian economy and capital markets which the Company foresee over the next couple of years. The Company continues to remain confident that it is competitively placed and its strength would help to grab the opportunities in the capital market.

RISK AND CONCERN

The financial and capital market intermediating activity is heavily dependent on economic buoyancy. Though, Indian economy is strong and has high visibility on the growth fronts, the Company would be susceptible to the global economic cycles as all economies are globally getting inextricable interlinked. Thus, any Global Economic slowdown has the potential to severely impair the working of the company apart from domestic factors like political uncertainty, tightening of liquidity, hardening of interest rates and inflation etc.

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

INTERNAL CONTROL SYSTEMS

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

DISCUSSION OF FINANCIAL PERFORMANCE

As reasoned in the paras' mentioned under performance review, during the year under review, due to overall gloomy scenario, the gross revenues of the Company decline by 63% to Rs.2184.78 lakhs as against Rs.5861.16 lakhs in the previous year, resulting in decline in Profit before tax of the Company. The consolidated statement includes various subsidiaries, including its overseas subsidiary in Mauritius and the existing broking operations of the subsidiary having membership of BSE and NSE, except its Dubai based overseas Wholly Owned Subsidiary Company Pioneer Investcorp International Ltd., being under voluntary winding up.

MATERIAL DEVELOPMENT AND HUMAN RESOURCES

During the year under review, the Company has made changes to its cost structure and human resources that enhanced its operational flexibility in terms of cost reduction and improved efficiency.

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 all non-executive Directors sitting fee of Rs.10,000/- for each meeting of the Board or a Committee thereof attended by them, after deducting TDS.

c) Other provisions as to Board and Committees

(i) Meetings and attendance record of each Director

During the year under report from 1st April, 2008 to 31st March, 2009, the Board of Directors held seven meetings on 30.05.2008, 26.06.2008, 29.07.2008, 21.08.2008, 22.10.2008, 12.12.2008, and 29.01.2009.

Mr. C. C. Dalal, Mr. C. M. Maniar and Mr. A. B. Desai were present in all the seven Board Meetings, Mr. G. M. Gandhi, was present in five Board Meetings, Mr. N. A. Rathod was granted leave of absence by the Board of Directors of the Company.

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

(ii) Number of Directorships

Mr. C. M. Maniar is a Director of eighteen other companies, of which he is also a member of nine Board Committees. Mr. C. C. Dalal is a Director of two other companies and he is also a member of two Board Committees. Mr. G. M. Gandhi is a Director of eighteen other companies and he is also a member of one Board Committee. Mr. N. A. Rathod is a Director of thirty-seven 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 1 to this report.

2. AUDIT COMMITTEE

The Audit Committee comprises of Mr. C. C. Dalal, 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 accounts of the Company. The Audit Committee also supervised the Internal Audit system and procedures relating to internal control system. Mr. C. C. Dalal, Chairman of the Committee, Mr. C. M. Maniar and Mr. A. B. Desai, all independent Directors and members of the Audit Committee were present at all the four committee meetings. Mr. G. M. Gandhi, the other member of the Committee, was present at one committee meeting.

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.26 of Schedule 11 – Significant Accounting Policies & Notes to Accounts. There were no material individual transactions with related parties, which are not in the normal course of business.

b) Disclosure of Accounting Treatment

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

c) Risk Management

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

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

During the year end under review, the Company has allotted in aggregate 3,70,000 Equity Shares to Mr. Gaurang Gandhi, Managing Director & Promoter, on Conversion of equivalent number of Convertible Warrants, issued on preferential basis to him on receipt of balance amount from him on exercising the conversion.

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 not paid any remuneration to Mr. G. M. Gandhi, Managing Director of the Company.

(iii) (a) The Company has granted *30,000 Stock options under "Pioneer Investcorp Ltd. Employee Stock Option Scheme – 2006" to the Non executive independent Directors of the Company and the details of which are as follows:

Sr. No.	Names of Non Executive Independent Director	Number of stock options Granted – ESOP 2006	Number of stock options exercised – ESOP 2006 (As on 31.03.2009)
1	C. C. Dalal	10,000	5,500
2	C. M. Maniar	10,000	5,500
3	A. B. Desai	Nil	Nil
4	N. A. Rathod	Nil	Nil
	Total	20,000	11,000

*10,000 Stock Options were granted to S. C. Bafna, who vacated his office as Director on 19th November, 2007.

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

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

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

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

Name of the Directors	Category of Director	No. of Shares held in the Company as at 31.03.2009.
Mr. C. M. Maniar	Independent– Non Executive	5800
Mr. C. C. Dalal	Independent– Non Executive	5500
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 Director

Mr. C. C. Dalal Director retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. Pursuant to Clause 49 of the Listing Agreement, the information relating to reappointment of Director are as follows:

Name of Director	Shri Chandravadan Dalal
Brief Resume	Mr. Chandravadan Dalal has been Non-Executive Independent Director of the Company for more than 14 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.
Nature of his expertise	He has over 50 years of professional experience in the field of Accounts and Taxation.
Other Directorship	Classic Infrastructure & Development Limited CREF Finance Limited
Other Committee Membership	Classic Infrastructure & Development Limited CREF Finance Limited
Number of Shares held in the Company	5500

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

5. MANAGING DIRECTOR CERTIFICATION

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

6. ANNUAL GENERAL MEETINGS

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

Year	Day, Date and Time	Venue
2005-2006	Thursday, 31st August, 2006, at 11.30 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd floor, 18/20 K. Dubash Marg, Mumbai – 400 001.
2006-2007	Thursday, 20th September, 2007, at 11.30 a.m.	Kilachand Conference Room, 2nd floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai - 400020
2007-2008	Thursday, 21st August, 2008, at 11.30 a.m.	Same as above.

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

Year	Matter
2005-2006	There was no business requiring Special Resolution.
2006-2007	There was no business requiring Special Resolution.
2007-2008	Mr. A. B. Desai and Mr. N. A. Rathod were appointed as Directors of the Company liable to retire by rotation.

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

7. MEANS OF COMMUNICATIONS

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after the Board approves the same. The results are published in one English newspaper and one regional language newspaper where the registered office of the Company is situated.

8. GENERAL SHAREHOLDERS INFORMATION

a) The Annual General Meeting of the Company will be held on Thursday, 3rd September, 2009, 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, 2009)	3rd / 4th week of July, 2009.
Financial Reporting for Quarter II - (ending September 30, 2009)	3rd / 4th week of October, 2009.
Financial Reporting for Quarter III - (ending December 31, 2009)	3rd / 4th week of January, 2010.
Financial Reporting for Quarter IV - (ending March 31, 2010)	3rd / 4th week of April /June, 2010.

c) The dates of Book Closure are 29th August, 2009 to 3rd September, 2009 (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 Price – High and Low on Bombay Stock Exchange Limited, for the Financial Year April, 2008 to March, 2009, were as follows;

Month	April 2008	May 2008	June 2008	July 2008	Aug. 2008	Sept. 2008	Oct. 2008	Nov. 2008	Dec. 2008	Jan. 2009	Feb. 2009	March 2009
High	296.20	335.35	284.90	160.60	117.70	107.95	53.50	30.00	21.10	45.60	36.50	25.35
Low	202.50	265.50	160.60	104.00	101.00	53.25	26.20	18.75	12.65	22.15	21.90	20.70

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

g) Detailed Shareholding pattern of the Company as on 31st March, 2009, is as under:

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
A	Promoter's holding		
1	Promoters	6267196	52.10
	Sub-Total (A)	6267196	52.10
B	Non-Promoters Holding		
1	Banks and Foreign Institutional Investors	105763	0.88
2	Others including Body Corporate	5656874	47.02
	Sub-Total (B)	5762637	47.90
	Total (A + B)	12029833	100.00

h) The distribution of Shareholding of Equity Shares as on 31st March, 2009, is as under:

Sr. No.	No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage of Shareholding
1.	Less than 50	905	27673	0.23
2.	51 to 100	2184	215418	1.79
3.	101 to 500	1769	441934	3.67
4.	501 to 1000	244	192882	1.60
5.	1001 to 5000	197	425041	3.53
6.	5001 to 10000	26	175459	1.46
7.	10001 to 50000	43	845279	7.03
8.	50001 to 100000	14	1121558	9.32
9.	100001 to 500000	14	2422926	20.14
10.	500001 & above.	1	6161663	51.22
	TOTAL	5397	12029833	100.00

i) As on 31st March, 2009, nearly 75.03% of the Company's total Paid up Equity Shares were held in demat form with NSDL and CDSL;

j) The Company has paid listing fees for the Financial Year 2009-10 to Bombay Stock Exchange Limited, the only Exchange where shares of the Company are presently listed; and

k) The Company's Registered as well as Corporate office is located at 1218, Maker Chamber V, Nariman Point, Mumbai – 400 021, Tel. No.: 022 - 6618 6633 / 2202 1171, Fax no.: 022 - 2204 9195.

9. CERTIFICATE FROM AUDITORS

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

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

In accordance with Clause 49 of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management Personnel have affirmed compliance to the Code of Conduct for the Financial Year ended 31st March, 2009.

Mumbai
29th July, 2009.

G. M. Gandhi
Managing Director

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, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

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

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

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

For Jayesh Dadia & Associates
Chartered Accountants

Nishit Dave
Partner
M.No.: 120073

Mumbai
29th July, 2009.

1
FINANCIAL STATEMENTS

AUDITORS' REPORT

To,

THE MEMBERS OF PIONEER INVESTCORP LIMITED

1. We have audited the attached Balance Sheet of PIONEER INVESTCORP LIMITED as at 31st March, 2009 and also Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

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

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

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

(v) On the basis of representations received from the Directors, as on 31st March 2009 and taken on record by the Board Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

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

(a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 ; and

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

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

For Jayesh Dadia & Associates,

Chartered Accountants

Nishit Dave

Partner

M.No.: 120073

Mumbai

30th June 2009

ANNEXURE TO THE AUDITORS' REPORT

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

- (i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have been physically verified by the Management during the year at reasonable intervals. No material discrepancies were noticed on verification.
 - (c) During the year, the Company has not disposed off a major part of the fixed assets.

- (ii)
 - (a) The Company has conducted the physical verification of inventories being Shares and Securities, held by it, at reasonable intervals during the year;
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate and
 - (c) The Company has maintained proper records of such inventories, and as informed to us no material discrepancies were noticed on physical verification.

- (iii)
 - (a) During the year the Company has granted unsecured interest free loans aggregating to Rs.1027.15 lacs (previous year Rs.13.20 lacs), to three of its wholly owned subsidiaries. At the year end, the loans granted to six subsidiaries aggregates to Rs. 1029.03 lacs (previous year Rs.15.81 lacs). The Maximum balance outstanding during the year was Rs.1634.69 lacs (previous year Rs.105.84 lacs).
 - (b), (c), (d) *since interest free loans are granted to the companies under section 301 are repayable on demand, comments under these clauses are not given.*
 - (e) During the year Company has not taken any loans, secured or unsecured loan from the companies, covered in the register maintained under section 301 of the Act.
 - (f) & (g) Since no loans are taken during the year comment under these clauses are not given.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

- (v)
 - (a) As explained to us, the Company has entered into all the particulars of contracts or arrangements referred to in section 301 of the Act; and
 - (b) As explained to us, transactions made in pursuance of all contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

- (viii) The Company is not required to maintain cost accounting records as prescribed by Central Government under clause (d) of sub-section (1) of section 209 of the Act.

- (ix)
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including service tax, provident fund, income tax and other material statutory dues applicable to it.
 - (b) According to the information and explanation given to us, there are no disputed statutory dues.

- (x) The Company has been registered for a period of more than five years. It has no accumulated losses. The Company has not incurred cash loss for the current financial year and in immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to banks.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi mutual fund/ society. Accordingly, the provisions of clause 4(xiii) is not applicable to the company.
- (xiv) The Company is dealing in shares and securities and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made therein and the shares and securities and other investments have been held by the company in its own name.
- (xv) As informed to us, the Company has given guarantee for loans taken by others from bank. However the terms and conditions whereof are not prejudicial to the interest of the Company.
- (xvi) The Company has obtained term loan from bank, and 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 made preferential allotment of shares to parties covered in the register maintained under section 301 of the Act. However the price at which shares have been issued is not prejudicial to the interest of the Company.
- (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

Chartered Accountants

Nishit Dave

Partner

M.No.: 120073

Mumbai

30th June 2009

BALANCE SHEET AS AT 31ST MARCH, 2009.

SOURCES OF FUNDS	Schedule No.	(Rs.)	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Share Holders' Funds				
Share Capital	1	126,276,222		111,642,892
Share Capital Suspense Account		—		10,863,330
Application Money Received for Share Warrants		94,500,000		131,702,500
Reserves and Surplus	2	<u>550,162,278</u>		<u>601,903,620</u>
			770,938,500	856,112,342
Secured Loans	3		156,743,186	540,578,411
Deferred Tax Liability			<u>11,191,886</u>	<u>3,946,131</u>
			<u>938,873,572</u>	<u>1,400,636,884</u>
APPLICATION OF FUNDS				
Fixed Assets:	4			
Gross Block		145,302,588		124,388,752
Less: Depreciation		<u>17,377,839</u>		<u>21,866,007</u>
Net Block			127,924,749	102,522,745
Investments	5		387,687,474	648,765,945
Current Assets, Loans and Advances :	6			
Closing Stock		107,990,490		300,254,670
Sundry Debtors		110,714,679		502,681,731
Cash and Bank Balances		85,178,998		3,457,475
Loans and Advances		<u>218,611,834</u>		<u>166,129,621</u>
			<u>522,496,001</u>	<u>972,523,497</u>
Less: Current Liabilities and Provisions :	7			
Current Liabilities		27,418,729		151,284,272
Provisions		<u>71,815,923</u>		<u>171,891,031</u>
			<u>99,234,652</u>	<u>323,175,303</u>
Net Current Assets			423,261,349	649,348,194
			<u>938,873,572</u>	<u>1,400,636,884</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	11			

As per our report of even date attached

For Jayesh Dadia & Associates

Chartered Accountants

G.M.Gandhi

Managing Director

C.C.Dalal

Director

Nishit Dave

Partner

M. No. : 120073

Mumbai, 30th June, 2009

A.B.Desai

Director

A.J.Chandra

Company Secretary

Mumbai, 30th June, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.

	Schedule No.	1st April, 2008 to 31st March, 2009 (Rs.)	1st April, 2007 to 31st March, 2008 (Rs.)
INCOME			
Income from Operations		5,356,712	438,788,616
Income from Investments		77,125,546	141,190,958
Other Income	8	<u>135,996,056</u>	<u>6,136,530</u>
Total Income		<u><u>218,478,314</u></u>	<u><u>586,116,104</u></u>
EXPENDITURE			
Employment Cost	9	83,824,499	55,698,471
Administration and other expenses	10	64,348,797	51,508,614
Interest		55,304,235	49,524,081
Depreciation		<u>10,244,848</u>	<u>4,431,330</u>
Total Expenditure		<u><u>213,722,379</u></u>	<u><u>161,162,496</u></u>
PROFIT BEFORE TAX		4,755,935	424,953,608
Provision for Taxation		(1,650,000)	(123,993,000)
Fringe Benefit Tax		(1,039,180)	(552,104)
Deferred Tax		(7,245,754)	(3,005,511)
Prior Period Item (net of tax expense) (See note 19)		(115,529,115)	—
Excess/(Short) Provision for Tax of earlier year		<u>(3,024,728)</u>	<u>(310,499)</u>
NET PROFIT/(LOSS) BEFORE APPROPRIATIONS		(123,732,842)	297,092,494
Balance brought forward from previous year		179,849,009	53,218,648
Less: Proposed Dividend		—	17,489,750
Less: Dividend Distribution Tax		—	2,972,383
Less: Transferred to General Reserve		—	<u>150,000,000</u>
BALANCE CARRIED TO BALANCE SHEET		<u><u>56,116,167</u></u>	<u><u>179,849,009</u></u>
Earning Per Share - (I) (See note 25)			
Basic		(0.70)	29.05
Diluted		(0.70)	26.24
Earning Per Share - (II) (See note 25)			
Basic		(10.58)	29.05
Diluted		(10.58)	26.24
Face Value of Share		10.00	10.00

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

11

As per our report of even date attached

For Jayesh Dadia & Associates

Chartered Accountants

G.M.Gandhi
Managing Director**C.C.Dalal**
Director**Nishit Dave**

Partner

A.B.Desai
Director**A.J.Chandra**
Company Secretary

M. No. : 120073

Mumbai, 30th June, 2009

Mumbai, 30th June, 2009

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2009.

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Schedule 1		
SHARE CAPITAL		
Authorised		
25,000,000 Equity Shares (previous year 25,000,000) of Rs.10/- each	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid-up		
12,029,833 (10,566,500) Equity Shares of Rs.10/- each	<u>120,298,330</u>	105,665,000
Add :Amount paid up on Shares Forfeited	<u>5,977,892</u>	5,977,892
	<u>126,276,222</u>	<u>111,642,892</u>
Of the above:		
(1) 7,000 (Previous Year 174,500) equity shares of Rs 10/- each are allotted pursuant to ESOP Scheme, 2006		
(2) 1,086,333 (Previous Year Nil) equity shares of Rs 10/- each are allotted to the shareholders of Pioneer Tradestock Pvt. Ltd., pursuant to the scheme of Amalgamation.		
(3) 370,000 (Previous Year 2,065,000) equity shares of Rs 10/- each are allotted pursuant to Conversion of warrants.		
Schedule 2		
RESERVES AND SURPLUS		
General Reserve	233,828,549	83,828,549
Add: Transferred from Profit & Loss Account	<u>—</u>	150,000,000
	<u>233,828,549</u>	233,828,549
Share Premium Account	104,577,250	65,576,750
Employees Stock Options (See note 9 and 18)		
Employees Stock options outstanding	4,673,970	7,596,382
Less: Deferred employee stock compensation	<u>1,464,179</u>	4,430,091
	<u>3,209,791</u>	3,166,291
Capital Reserve (See note 16)	32,947,500	—
Capital (Amalgamation) Reserve Account	119,483,021	119,483,021
Profit and Loss Account	<u>56,116,167</u>	179,849,009
	<u>550,162,278</u>	<u>601,903,620</u>
Schedule 3		
SECURED LOANS		
Term Loan - From Axis Bank Ltd. (Secured by first charge on hypothecation of all moveable capital assets to Axis Bank Ltd.)	57,275,380	26,404,716
Vehicle Loan - From ICICI Bank Ltd. (Secured against hypothecation of Vehicles)	800,248	—
Cash Credit - Federal Bank Ltd. (Secured against Government Security Papers)	10,823,865	284,293,228
Cash Credit - Punjab National Bank. (Secured against Government Security Papers)	78,380,567	—
Term Loan - From ICICI Bank Ltd. (Secured by first charge on mortgage of office premises)	9,463,126	10,026,715
Indiabulls Financial Services Ltd. (Secured by pledge of shares)	—	91,233,616
Sonata Investments Ltd. (Secured by pledge of shares)	—	128,620,136
	<u>156,743,186</u>	<u>540,578,411</u>

PIONEER INVESTCORP LIMITED

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2009.

Schedule 4

FIXED ASSETS

Particulars of Assets	Gross Block				Depreciation				Net Block	
	As at 01.04.2008 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	As on 31.03.2009 (Rs.)	Upto 01.04.2008 (Rs.)	For the year (Rs.)	Deductions/ Adjustments (Rs.)	Upto 31.03.2009 (Rs.)	As on 31.03.2009 (Rs.)	As on 31.03.2008 (Rs.)
Office Premises	48,272,668	—	33,943,848	14,328,820	7,105,073	650,418	7,333,165	422,327	13,906,494	41,167,596
Leasehold Office Premises	4,222,688	3,081,540	—	7,304,228	161,524	989,666	—	1,151,190	6,153,038	4,061,164
Office Equipments	27,953,826	19,120,652	1,912,742	45,161,736	4,474,430	4,464,881	867,686	8,071,625	37,090,111	23,479,396
Furniture & Fixtures	33,799,060	542,692	9,163,112	25,178,640	8,065,993	2,010,282	6,532,165	3,544,110	21,634,530	25,733,067
Vehicles	2,774,058	1,602,509	—	4,376,567	2,030,308	211,155	—	2,241,463	2,135,104	743,750
Software	7,366,452	8,262,327	—	15,628,779	28,679	1,918,446	—	1,947,125	13,681,654	7,337,773
Capital Work In Progress	—	33,323,818	—	33,323,818	—	—	—	—	33,323,818	—
Total	124,388,752	65,933,538	45,019,702	145,302,588	21,866,007	10,244,848	14,733,016	17,377,839	127,924,749	102,522,745
Previous Year	76,555,473	47,833,279	—	124,388,752	17,434,677	4,431,330	—	21,866,007	102,522,745	59,120,795

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2009.

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Schedule 5		
INVESTMENTS (Long Term, at cost)		
(A) Trade Investments in Subsidiary Companies (Unquoted)		
Infinity .com Financial Securities Ltd. (1,85,00,000 fully paid Equity Shares (previous year 1,85,00,000) of Rs.10/- each)	244,501,960	244,501,960
Infinity.com Financial Securities Ltd. (6,00,000 fully paid Redeemable Preference shares (previous year 6,00,000) of Rs 100/- each)	21,498,040	21,498,040
Pioneer Commodity Intermediaries Pvt. Ltd. (10,00,000 fully paid Equity Shares (previous year 10,00,000) of Rs. 10/- each)	10,000,000	10,000,000
Pioneer Investment Advisory Services Ltd. (50,000 fully paid Equity Shares (previous year 50,000) of Rs. 10/- each)	500,000	500,000
Pioneer Money Management Ltd. (30,00,000 fully paid Equity Shares (previous year 30,00,000) of Rs. 10/- each)	30,000,000	30,000,000
Pioneer Wealth Management Services Ltd. (69,90,000 fully paid Equity Shares (previous year 6,00,000) of Rs. 10/- each)	69,900,000	6,000,000
# Pioneer Investcorp International Ltd. (incorporated in Dubai) (Nil fully paid Equity Shares (previous year 5,00,000) of USD 1 each)	—	20,240,000
PINC Fund Advisors LLC. (incorporated in Mauritius) (1,00,000 fully paid Equity Shares (previous year 1,00,000) of USD 1 each)	3,939,730	3,939,730
Pioneer Fundinvest Pvt. Ltd.(Formerly known as "Marine Drive Investments and Trading Company Pvt. Ltd.") (21,000 fully paid Equity Shares (previous year 21,000) of Rs. 100/- each)	3,612,000	3,612,000
Total (A)	383,951,730	340,291,730
# Company under voluntary winding up		
(B) Trade Investments in Associate Companies (Unquoted)		
Pioneer Insurance & Reinsurance Brokers Pvt Ltd. (2,50,000 fully paid Equity Shares (previous year 2,50,000) of Rs. 10/- each)	2,500,000	2,500,000
Total (B)	2,500,000	2,500,000
(C) Trade Investments in Other Companies		
Quoted		
Arihant Foundations & Housing Ltd. (2,645 fully paid Equity Shares (previous year 2,645) of Rs. 10/- each) (Mkt Value as on 31st March 2009 is Rs.1,42,169 (previous year Rs.8,09,106))	1,235,744	1,235,744
Adani Enterprises Ltd. (Nil fully paid Equity Shares (previous year 3,00,000) of Rs. 1/- each) (Mkt Value as on 31st March 2009 is Rs Nil.(previous year Rs.180,150,000))	—	176,444,605
Mundra Port & Special Economic Zone Ltd. (Nil fully paid Equity Shares (previous year 20,000) of Rs. 10/- each) (Mkt Value as on 31st March 2009 is Rs Nil.(previous year Rs.11,590,000))	—	24,114,073
Mercator Lines Ltd. (Nil fully paid Equity Shares (previous year 300,000) of Rs. 1/- each) (Mkt Value as on 31st March 2009 is Rs Nil.(previous year Rs.23,790,000))	—	46,383,391
Gujarat NRE Coke Ltd. (Nil fully paid Equity Shares (previous year 2,50,000) of Rs. 10/- each) (Mkt Value as on 31st March 2009 is Rs Nil.(previous year Rs.34,825,000))	—	32,209,903
(Total Mkt Value as on 31st March 2009 is Rs 142,169 (previous year Rs.251,164,106))		
Unquoted		
Bill Forge Pvt Ltd. (Nil fully paid Equity Shares (previous year 3,300) of Rs. 10/- each)	—	5,049,000
Sansera Engineering Pvt. Ltd (Nil fully paid Equity Shares (previous year 265) of Rs. 100/- each)	—	20,537,500
Total (C)	1,235,744	305,974,215
Total Investments (A + B + C)	387,687,474	648,765,945

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2009.

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Schedule 6		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
Closing Stock of Government Security Papers* (See note 4 & 22) (at lower of cost or market value)	107,990,490	300,254,670
*(Government Securities Papers are pledged with Punjab National Bank)		
Sundry Debtors: **		
(Unsecured and considered good)		
Outstanding for more than six months	1,012,175	81,107,148
Other Debts	<u>109,702,504</u>	<u>421,574,583</u>
	110,714,679	502,681,731
** (Debtors includes Rs Nil (previous year Rs. 197,756,933) on account of sale of Investments)		
Cash and Bank Balances :		
Cash and Cheques on hand	35,913	46,519
Balances with Scheduled Banks: in Current Account	<u>85,143,085</u>	<u>3,410,956</u>
	85,178,998	3,457,475
Loans and Advances :		
(Unsecured and considered good)		
Advances recoverable in cash or in kind for value to be received	119,202,002	37,714,180
Security Deposits	15,150,010	15,208,280
Advance Tax	<u>84,259,822</u>	<u>113,207,161</u>
	218,611,834	166,129,621
	<u>522,496,001</u>	<u>972,523,497</u>
Schedule 7		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities:		
Sundry Creditors (Due to other than micro & small enterprises)	20,060,872	70,558,984
Advance from Client	5,000,000	50,000,000
Other Liabilities	1,649,048	8,180,263
Mark to Market Margin Stock F&O Account	—	1,585,529
Dividend Payable	—	17,489,750
Dividend Distribution Tax Payable	—	2,972,383
Unclaimed Dividends	<u>708,809</u>	<u>497,363</u>
	<u>27,418,729</u>	<u>151,284,272</u>
Provisions:		
Provision for Taxation	66,003,461	167,348,000
Provision for Gratuity	3,548,449	3,318,198
Provision for Leave encashment on retirement	672,729	672,729
Provision for Fringe Benefit Tax	<u>1,591,284</u>	<u>552,104</u>
	<u>71,815,923</u>	<u>171,891,031</u>
	<u>99,234,652</u>	<u>323,175,303</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.

	1st April, 2008 to 31st March, 2009 (Rs.)	1st April, 2007 to 31st March, 2008 (Rs.)
Schedule 8		
OTHER INCOME		
Interest income (Tax deducted at source Rs.132,195 (previous year Rs. 136,348))	1,061,185	871,840
Commission	75,000	100,000
Rent	3,913,733	4,985,988
Miscellaneous Income	2,167,257	116,566
Dividend received	108,188,725	62,137
Profit on sale of Fixed Assets	20,590,156	—
	<u>135,996,056</u>	<u>6,136,530</u>
Schedule 9		
EMPLOYMENT COST		
Salaries and Bonus	80,464,347	50,004,007
Gratuity	549,960	2,071,641
Employees Stock Compensation Expense	109,650	2,255,941
Employer's Contribution to Provident Fund	1,553,488	1,056,790
Staff Welfare	1,147,054	310,092
	<u>83,824,499</u>	<u>55,698,471</u>
Schedule 10		
ADMINISTRATION AND OTHER EXPENSES		
Rent	20,179,585	14,812,023
Rates and Taxes	1,144,103	335,702
Power and Fuel	2,384,768	1,545,060
Insurance	420,613	65,264
Postage, Telex and Telephones	3,451,622	1,669,715
Printing and Stationery	498,667	814,844
Directors' Sitting Fees	330,000	600,000
Travelling and Conveyance	8,584,476	3,049,671
Motor Car Expenses	5,103,899	2,820,562
Advertisement	192,177	3,278,695
Legal and Professional Charges	7,038,966	8,612,983
Share Transfer Registrar's Fees	75,000	75,000
Securities Transaction Tax	1,143,098	1,689,662
Auditors' Remuneration:		
Audit Fees	325,000	325,000
Tax Audit Fees	50,000	50,000
Certification work	90,000	60,000
	<u>465,000</u>	<u>460,000</u>
Miscellaneous Expenses	13,336,823	11,679,434
	<u>64,348,797</u>	<u>51,508,614</u>

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2009.**Schedule 11****A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Presentation**

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

2. Fixed Assets

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

3. Depreciation on Fixed Assets

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

4. Inventories

All Shares and Securities are valued at Cost or market value, whichever is lower, in accordance with the Accounting Standard 2, "Inventory Valuations" issued by ICAI.

5. Investments

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

6. Revenue Recognition

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

7. a) Future Contracts

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

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

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

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

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2009.**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

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2009.

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

12. Miscellaneous Expenditure

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

13. Contingencies and Events occurring after the Balance Sheet Date

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

14. Taxation

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

15. Impairment of Assets

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

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

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

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

B. NOTES TO ACCOUNTS

16. During the previous year, the Company had issued 33,00,000 warrants to the promoter of the Company on a preferential basis pursuant to Chapter XIII of SEBI (DIP) Guidelines. Each warrant was convertible into one equity share of the Company at a conversion / exercise price of Rs.115 per resultant equity share, at any time before the expiry of 18 months from the date of allotment of the warrant.

The promoter have not exercised this option within the prescribed date to the extent of 28,65,000 warrants and consequently, such warrants stand lapsed. Accordingly, the initial application money of Rs.3,29,47,500 received on such warrants (being 10% of exercise price of Rs.115 per warrant) stands forfeited to the company as per the terms of issue and has been transferred to capital reserve.

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

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

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2009.

Name of the Company	Amount outstanding as on 31st March, 2009 (Rs.)	Maximum balance outstanding during the year (Rs.)	Investment in shares of the company No. of Shares
Pioneer Wealth Management Services Ltd.	74915 (85220)	59097050 (85220)	6990000 (600000)
Pioneer Money Management Ltd.	Nil (1381965)	1384215 (5031665)	3000000 (3000000)
Pioneer Investment Advisory Services Ltd.	80000 (72685)	84535 (72685)	50000 (50000)
Pioneer Investcorp International Limited	Nil (Nil)	154916 (1413751)	Nil (500000)
PINC Fund Advisors LLC	2580059 (40738)	2580059 (3980468)	100000 (100000)
Infinity.com Financial Securities Ltd.	100168466 (Nil)	100168466 (3505810)	18500000 (18500000)

18. The Company, under its various ESOP Schemes, has granted in aggregate 25,06,500 options, as on 31st March, 2009 (previous year 25,06,500).

Employee Stock option Reserve outstanding at the beginning of the year amounting to Rs.75,96,382 (previous year 94,50,000) was reduced proportionately by Rs.66,150 (previous year 16,49,025) on account of Share issued on the exercise of stock options and by Rs.28,56,262 (previous year 2,04,593) on account of stock options forfeited/lapsed during the year.

The details of outstanding options are as under:

Particulars	Year Ended 31/03/2009		Year Ended 31/03/2008	
	ESOP 2007	ESOP 2006	ESOP 2007	ESOP 2006
Options in force at the beginning of the year	1485500	803850	Nil	1000000
Add: Options granted during the year	Nil	Nil	1506500	Nil
Less: Options forfeited/lapsed	374000	302250	21000	21650
Less: Options Exercised during the year	Nil	7000	Nil	174500
Options in force at the end of the year	1111500	494600	1485500	803850
Vested Options outstanding-opening	368700	Nil	200000	Nil
Add: Options vested during the year	519925	386800	Nil	350000
Less: Options Exercised during the year	Nil	7000	Nil	174500
Less: Vested Options Lapsed	130900	285250	Nil	6800
Vested Options outstanding-closing	389025	463250	Nil	368700

19. In the accounts ended 31st March, 2008, Rs.1774.24 Lacs was included as income under Income from Operations. The said income was not fructified and/or materialized due to the cancellation of a certain transaction between the concerned parties, consequent to which the same is reversed in the accounts during the year and shown under the head Prior Period Item amounting to Rs.1155.29 Lacs (net of tax expenses of Rs 618.95 Lacs).

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2009.

	Year Ended 31/03/2009 (Rs.)	Year Ended 31/03/2008 (Rs.)
20. Contingent Liabilities on account of: Counter guarantees given to banks	—	10,000,000

	Year Ended 31/03/2009 (Rs.)	Year Ended 31/03/2008 (Rs.)
21. Income Earned in Foreign Currency		
Fee Income	—	25,038,894
Other Income#	109,717,169	—
Expenses Incurred in Foreign Currency		
Traveling Expenses	261,317	180,563

Other Income includes dividend received from subsidiary of Rs. 107,605,500

	Year Ended 31/03/2009 (Rs.)	Year Ended 31/03/2008 (Rs.)
22. Details of Government Securities transactions during the year, are as follows:		
Sale of Securities	8,722,447,366	9,104,682,091
Add: Closing Stock at Market Value	107,990,490	300,254,670
Less: Purchase of Securities	8,504,380,244	9,143,903,250
Less: Opening Stock	300,254,670	221,067,487
Profit from trading in Government Securities	25,802,942	39,966,024

23. Details of Open Interest in Equity / Index Future Contracts

Nature of Contract	31.03.2009			31.03.2008		
	No of Contracts	No. of Shares		No of Contracts	No. of Shares	
		Long	Short		Long	Short
Equity	Nil	Nil	Nil	586	610200	Nil

	Year Ended 31/03/2009 (Rs.)	Year Ended 31/03/2008 (Rs.)
24. Managing Director's Remuneration:		
a) Salaries	—	210,000
b) Perquisites	—	156,085
c) Commission	—	1,672,689
Total	—	2,038,774

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2009.

	Year Ended 31/03/2009	Year Ended 31/03/2008
25. Earning per Share		
Profit/(Loss) after tax before prior period item as per Profit & Loss Account (Rs.) (A)	(8,203,727)	297,092,494
Profit/(Loss) after tax as per Profit & Loss Account (Rs.) (B)	<u>(123,732,842)</u>	<u>297,092,494</u>
Weighted Average Number of Equity Share used in Computing Basic earnings per Share (C)	11,690,710	10,228,212
Add: Potential Equity Shares on account of ESOP, Equity shares issued on mergers etc.	Nil	1,093,333
Weighted Average Number of Equity Share used in Computing Diluted earnings per Share (D)	<u>11,690,710</u>	<u>11,321,545</u>
I Earning Per Share (Rs.) Basic - (A/C)	(0.70)	29.05
(Rs.) Diluted - (A/D)	(0.70)	26.24
II Earning Per Share (Rs.) Basic - (B/C)	(10.58)	29.05
(Rs.) Diluted - (B/D)	(10.58)	26.24

26. Related Party Disclosures**Category I : Key Management Personnel**

- 1) Mr. M. M. Gandhi - Managing Director (up to 30.9.2007)
- 2) Mr. G. M. Gandhi - Managing Director

Category - II - Subsidiary Companies

- 1) Infinity.com Financial Securities Ltd.
- 2) Pioneer Commodity Intermediaries Pvt.Ltd.
- 3) Pioneer Money Management Ltd.
- 4) Pioneer Investment Advisory Services Ltd.
- 5) Pioneer Wealth Management Services Ltd.
- 6) PINC Fund Advisors LLC (incorporated in Mauritius)
- 7) Pioneer Fund Invest Pvt. Ltd.
(formerly known as Marine Drive Investments and Trading Company Pvt. Ltd)

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

- 1) Pioneer Intermediaries Pvt. Ltd.
- 2) Pioneer Insurance & Reinsurance Brokers Pvt. Ltd.
- 3) Sharp Point Motors & Automobiles Pvt. Ltd.

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2009.

- 4) Symbyosys Integrated Solutions Pvt. Ltd.
- 5) Pioneer Fund Advisors Pvt. Ltd.
- 6) Siddhi Portfolio Services Pvt. Ltd.
- 7) Benefit Realty Pvt. Ltd.
- 8) Sonal Denim & Processors Pvt. Ltd.
- 9) L.Gordhandas & Co. Clearing Agent Pvt. Ltd.

Details of related party transaction carried out during the year ended 31st March, 2009

Nature of Transactions ((Received)/Paid)	(Amount in Rs.)	
	2008-2009	2007-2008
Details of transactions with key management personnels (referred as category-I)		
Managerial Remuneration	Nil	2,038,774
Share Capital	(3,700,000)	(650,000)
Share Premium	(38,850,000)	(6,825,000)
Share Warrant Application Money	Nil	(132,450,000)
Details of transactions with subsidiary companies (referred as category-II)		
Purchase of Investments	63,900,000	3,612,000
Sale of Investments	(58,574,915)	Nil
Loans & Advances	102,828,525	1,580,608
Brokerage on Purchase/Sale of Securities	Nil	327
Details of transactions with other companies (referred as category-III)		
Commission on account of Bank Guarantees	(75,000)	(100,000)
Repairs of Motor Cars	165,861	104,296

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

I Assumptions	Gratuity (In Rs.)	
	Valuation Date 31st March 2009	Valuation Date 31st March 2008
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount Rate	8.00%	8.00%
Rate of Increase in Compensation	7.00%	7.00%
Rate of Return (Expected) on plan assets Withdrawal Rates	5.00%	5.00%

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2009.

II	Change in present Value of Obligations		
	PVO at beginning of period	3,318,198	392,366
	Interest Cost	252,667	31,389
	Current Service Cost	1,070,778	1,439,653
	Benefits Paid	(319,709)	—
	Actuarial gain/(loss) on obligation	(773,485)	1,454,790
	PVO at end of period	3,548,449	3,318,198
III	Changes in Fair value of plan Assets		
	Fair Value of plan assets at beginning of Period	—	—
	Expected return on plan assets	—	—
	Contributions	319,709	—
	Benefits Paid	(319,709)	—
	Actuarial gain/(loss) on plan assets	—	—
	Fair Value of plan assets at end of Period	—	—
IV	Fair Value of plan Assets		
	Fair Value of plan assets at beginning of Period	—	—
	Actual return on plan assets	—	—
	Contributions	319,709	—
	Benefits Paid	(319,709)	—
	Fair Value of plan assets at end of Period	—	—
	Funded Status	(3,548,449)	(3,318,198)
	Excess of Actual Over Estimated return On plan Assets	—	—
V	Actuarial Gain/(Loss) Recognized		
	Actual Gain/(Loss) for the period (Obligation)	773,485	(1,454,790)
	Actual Gain/(Loss) for the period (Plan Assets)	—	—
	Total Gain/(Loss) for the period	773,485	(1,454,790)
	Actuarial Gain/(Loss) Recognized for the period	773,485	(1,454,790)
	Unrecognized Actuarial Gain/(Loss) at end of period	—	—
VI	Amount to be recognized in the balance sheet and statement of profit & loss Account		
	PVO at end of period	3,548,449	3,318,198
	Fair Value of plan assets at end of Period	—	—
	Funded Status	(3,548,449)	(3,318,198)
	Unrecognized Actuarial Gain/(Loss)	—	—
	Net Asset/ Liability Recognized in the Balance Sheet	(3,548,449)	(3,318,198)
VII	Expenses Recognized in the Statement of Profit & Loss A/c		
	Current Service Cost	1,070,778	1,439,653
	Interest Cost	252,667	31,389
	Expected Return on Plan Assets	—	—
	Net Actuarial Gain/(Loss) Recognized For the period	(773,485)	1,454,790
	Expense Recognized in the statement of Profit & Loss A/c	549,960	2,925,832
VIII	Movements in the Liability Recognized in Balance Sheet		
	Opening Net Liability	3,318,198	392,366
	Expenses as Above	549,960	2,925,832
	Contribution Paid	(319,709)	—
	Closing Net Liability	3,548,449	3,318,198

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2009.

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

	Fee Income	Income From Securities	Total As on 31.3.2009
	(Rs.)	(Rs.)	(Rs.)
Segment Revenue	130,564,895	(48,082,637)	82,482,258
	<i>476,845,657</i>	<i>102,801,053</i>	<i>579,646,710</i>
Add: Unallocated Revenue	—	—	135,996,056
	—	—	<i>5,497,554</i>
Total Revenue	130,564,895	(48,082,637)	218,478,314
	<i>476,845,657</i>	<i>102,801,053</i>	<i>585,144,264</i>
Segment Result before Tax	33,758,101	(114,714,632)	(80,956,531)
	<i>387,140,200</i>	<i>42,045,240</i>	<i>429,185,440</i>
Add: Unallocated Income/(Expenses)(net)	—	—	85,712,466
	—	—	<i>(4,231,832)</i>
Profit before Tax	—	—	4,755,935
	—	—	<i>424,953,608</i>
Interest and Finance Charges	—	—	—
	—	—	—
Provision for Tax	—	—	(9,934,934)
	—	—	<i>(127,550,615)</i>
Prior Period Adjustment	—	—	(115,529,115)
	—	—	—
Provision for Tax for earlier years	—	—	(3,024,728)
	—	—	<i>(310,499)</i>
Net Profit	—	—	(123,732,843)
	—	—	<i>297,092,494</i>
Segment Assets	366,391,440	502,277,964	868,669,404
	<i>428,742,461</i>	<i>1,151,377,548</i>	<i>1,580,120,009</i>
Add: Unallocated Assets	—	—	169,438,820
	—	—	<i>143,692,178</i>
Total Assets	—	—	1,038,108,224
	—	—	<i>1,723,812,186</i>
Segment Liabilities	94,248,675	89,204,431	183,453,106
	<i>186,651,355</i>	<i>505,732,509</i>	<i>692,383,864</i>
Add: Unallocated Liabilities	—	—	83,716,618
	—	—	<i>175,315,981</i>
Total Liabilities	—	—	267,169,724
	—	—	<i>867,699,845</i>
Capital Expenditure	65,933,538	—	65,933,538
	<i>47,833,279</i>	—	<i>47,833,279</i>
Depreciation	10,244,848	—	10,244,848
	<i>3,878,045</i>	—	<i>3,878,045</i>
Unallocated Depreciation	—	—	—
	—	—	<i>553,285</i>
Total Depreciation	10,244,848	—	10,244,848
	—	—	<i>4,431,330</i>

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2009.

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.

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

		Year Ended 31/03/2009 (Rs.)	Year Ended 31/03/2008 (Rs.)
Deferred Tax Liability			
On account of Depreciation difference	(1)	12,776,676	5,452,657
Deferred Tax Asset			
On account of 43B disallowances	(2)	1,584,790	1,506,526
Net Deferred Tax Liability/(Asset)	(1 - 2)	11,191,886	3,946,131

30. Provision for Income Tax and Fringe Benefit Tax has been made in the accounts as per the provisions of the Income Tax Act, 1961.
31. There are no dues outstanding to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act.
32. 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.
33. The figures of the previous year are regrouped or reclassified, wherever necessary, to make them comparable with the figures of current year.

SCHEDULES TO ACCOUNTS: 31ST MARCH, 2009.

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

I. Registration Details

CIN	:	L65990MH1984PLC031909
Registration No.	:	31909
State Code	:	11
Balance Sheet Date	:	31st March, 2009

Rs. in Thousands

II. Capital Raised during the year

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

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	:	938,874
Total Assets	:	938,874

Sources of funds

Paid up Capital	:	126,276
Reserves & Surplus	:	550,162
Share Warrant Application Money	:	94,500
Secured Loans	:	156,743
Unsecured Loans	:	—
Deferred Tax Liability	:	11,192

Application of Funds

Net Fixed Assets	:	127,925
Investments	:	387,687
Net Current Assets	:	423,261
Miscellaneous Expenditure	:	—
Deferred Tax Asset	:	—

IV. Performance of the Company

Total Income	:	218,478
Total Expenditure	:	213,722
Profit Before Tax	:	4,756
Profit/(Loss) After Tax	:	(123,733)
Earnings Per Share (Rs.)	:	(10.58)
Dividend Rate (%)	:	—

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

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

Signature to Schedule 1 to 11

For Jayesh Dadia & Associates

Chartered Accountants

G.M.Gandhi
Managing Director**C.C.Dalal**
Director**Nishit Dave**

Partner

M. No. : 120073

Mumbai, 30th June, 2009

A.B.Desai
Director**A.J.Chandra**
Company Secretary

Mumbai, 30th June, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009.

	2008 - 2009	2007 - 2008
	(Rs.)	(Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	4,755,935	424,953,608
Adjustment for :		
Depreciation & Obsolescence	10,244,848	4,431,330
Prior Period item	(115,529,115)	—
Employee Stock Compensation Expense	109,650	2,255,941
Profit on Sale of Investments	(77,125,546)	(141,190,958)
Profit on Sale of Fixed Assets	(20,590,156)	—
Interest / Dividend	(109,249,910)	(933,977)
	(312,140,229)	(135,437,663)
Operating Profit before working capital changes	(307,384,294)	289,515,945
Adjustment for :		
Trade and other receivables	502,801,681	(514,299,289)
Trade and other payables	(226,629,831)	115,794,669
	276,171,850	(398,504,619)
Direct taxes paid	25,922,611	(101,511,313)
Net cash from Operating Activities	(5,289,833)	(210,499,987)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(65,933,538)	(47,833,279)
Sale of Fixed Assets	50,876,842	—
Sale of Investment	417,104,018	567,166,513
Purchase of Investment	(78,900,000)	(892,759,256)
Interest/Dividend received	109,249,910	933,977
Net Cash used in Investing Activities	432,397,232	(372,492,046)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Car loans taken	800,248	(235,696)
Term loans repaid	30,307,076	(7,539,886)
Cash Credit taken	(195,088,797)	62,126,732
Term loans taken	—	20,879,431
Loans taken from Financial Institutions	(219,853,752)	219,853,752
Dividend	—	(17,489,750)
Dividend Distribution Tax	—	(2,972,383)
Share Warrant Application Money	(37,202,500)	127,502,500
Capital reserve	32,947,500	—
Capital reserve (Amalgamation)	—	119,483,021
Share Premium	39,000,500	32,576,750
Employee Stock Option Reserve Reversal on issue	(66,150)	(1,649,025)
Share Capital Suspense Account	(10,863,330)	10,863,330
Share Capital Issued	14,633,330	22,395,000
Net Cash used in Financing Activities	(345,385,875)	585,793,776
Net Increase in cash and cash equivalents	81,721,523	2,801,743
Cash and cash equivalents at beginning of the year	3,457,474	655,731
Cash and cash equivalents at end of the year	85,178,998	3,457,474

G.M.Gandhi
Managing Director

C.C.Dalal
Director

A.B.Desai
Director

A.J.Chandra
Company Secretary

Mumbai, 30th June, 2009

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Pioneer Investcorp Limited for the year ended 31st March, 2009. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreements of the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss account and the Balance Sheet of the Company covered by our report of even date to the members of the Company.

For JAYESH DADIA & ASSOCIATES

Chartered Accountants

Nishit Dave

Partner

M. No.: 120073

Mumbai, 30th June, 2009

PIONEER INVESTCORP LIMITED

DETAILS OF SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956.

(Amount in Rs.)

Particulars	Infinity.com Financial Securities Limited		Pioneer Wealth Management Services Limited		Pioneer Money Management Limited		Pioneer Investment Advisory Services Limited		Pioneer Commodity Intermediaries Pvt. Limited		PINC Fund Advisors LLC (Mauritius)		Pioneer Fundinvest Pvt. Limited	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
Share Capital	245,000,000	245,000,000	69,900,000	6,000,000	30,000,000	30,000,000	500,000	500,000	10,000,000	10,000,000	3,939,730	3,939,730	2,100,000	2,100,000
Reserves & Surplus	89,583,984	88,935,887	(429,746)	(418,498)	(234,907)	(184,752)	(46,534)	(33,739)	(2,056,820)	(2,461,392)	(2,550,854)	(2,792,805)	580,379	499,443
Total Assets	592,058,098	713,636,896	69,706,494	5,792,238	29,803,171	31,222,497	571,544	564,230	7,958,129	7,571,556	4,088,680	1,256,491	2,747,816	2,611,279
Total Liabilities	257,474,114	379,701,010	236,239	210,736	38,078	1,407,249	118,078	97,969	14,949	32,948	3,298,108	109,566	67,437	11,836
Investments	—	—	58,574,915	—	—	—	—	—	—	—	40	40	—	—
Revenue	233,024,899	223,897,359	624,089	238,536	42,737	29,793	42,737	29,793	101,008	47,699	—	—	182,275	—
Profit/(Loss) before Taxation	4,083,052	70,418,110	(64,867)	(196,360)	(37,155)	(126,426)	205	(13,553)	(244,239)	(419,962)	(603,329)	(2,869,290)	135,936	(83,315)
Provision for Taxation	3,434,955	8,689,438	(53,619)	114,280	13,000	14,048	13,000	14,048	(648,811)	(1,706)	—	—	55,000	—
Profit/(Loss) After Tax	648,097	61,728,672	(11,248)	(310,640)	(50,155)	(140,474)	(12,795)	(27,601)	404,572	(418,256)	(603,329)	(2,869,290)	80,936	(83,315)

- Note: i) The annual accounts of the above Subsidiary Companies are open for inspection for any investor at the Company's Registered Office of the respective Subsidiary Companies.
ii) Pioneer Investcorp International Limited (Dubai), has been referred for voluntary winding up, hence not included in the above statement.

PIONEER INVESTCORP LIMITED

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

1	Name of the Subsidiary	Infinity.com Financial Securities Limited	Pioneer Wealth Management Services Limited	Pioneer Money Management Limited	Pioneer Investment Advisory Services Limited	Pioneer Commodity Intermediaries Pvt. Limited	PINC Fund Advisors LLC	Pioneer Fundinvest Pvt. Limited
2	Financial Year of the Subsidiary ended on	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009
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	18,500,000 Equity shares of face value of Rs.10 each fully paid up and 6,00,000 Redeemable Preference shares of face value of Rs.100 each fully paid up	6,990,000 Equity shares of face value of Rs.10 each fully paid up	3,000,000 Equity shares of face value of Rs.10 each fully paid up	50,000 Equity shares of face value of Rs.10 each fully paid up	1,000,000 Equity shares of face value of Rs.10 each fully paid up	100,000 Ordinary shares of face value of USD1 each fully paid up	21,000 Equity shares of face value of Rs.100 each fully paid up
	- Extent of Holding	100%	100%	100%	100%	100%	100%	100%
5	The net aggregate amount of subsidiary's Profits/ (Losses) so far as it concerns the members of the Holding Company							

PIONEER INVESTCORP LIMITED

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

1 Name of the Subsidiary	Infinity.com Financial Securities Limited	Pioneer Wealth Management Services Limited	Pioneer Money Management Limited	Pioneer Investment Advisory Services Limited	Pioneer Commodity Intermediaries Pvt. Limited	PINC Fund Advisors LLC	Pioneer Fundinvest Pvt. Limited
(a) Not dealt with in the Holding Company's Accounts							
i) For the Financial Year ended 31.03.09	Rs. 648,097	Rs. (11,248)	Rs. (50,155)	Rs. (12,795)	Rs. 404,572	Rs. (603,329)	Rs. 80,936
ii) For the Financial Year ended 31.03.08	Rs. 61,728,672	Rs. (310,640)	Rs. (140,474)	Rs. (27,601)	Rs. (418,256)	Rs. (2,869,290)	Rs. (83,315)
(b) Dealt with in the Holding Company's Accounts							
i) For the Financial Year ended 31.03.09	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) For the Financial Year ended 31.03.08	Nil	Nil	Nil	Nil	Nil	N.A	N.A

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED AUDITORS' REPORT

TO,
THE BOARD OF DIRECTORS OF
PIONEER INVESTCORP LIMITED

1. We have audited the attached Consolidated Balance Sheet of PIONEER INVESTCORP LIMITED as at 31st March, 2009 and also Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Pioneer Investcorp Limited's ("the Company") management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of financial statements of PINC Fund Advisors LLC (incorporated in Mauritius), we did not carry out the audit. These financial statements have been audited/reviewed by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of these subsidiary is based solely on the reports of other auditors. The financial statements of the said subsidiary reflect total assets of Rs.40,88,680 as at 31st March 2009 and total revenues of Rs.Nil for the year ended 31st March 2009.
4. We report that the consolidated financial statements have been prepared by Pioneer Investcorp Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
 - (i) Based on our audit and on the other financial information of the components and to the best of our information and according to the explanations given to us, the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In case of the Consolidated Balance Sheet, of the state of affairs of the company as at 31st March, 2009; and
 - (b) In case of the Consolidated Profit and Loss account, of the loss for the year ended on that date; and
 - (c) In case of the Consolidated Cash Flow statement, of the cash flow for the year ended on that date.

For **Jayesh Dadia & Associates**,
Chartered Accountants.

Nishit Dave
Partner
M.No.: 120073
Mumbai, 30th June, 2009

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009.

SOURCES OF FUNDS	Schedule No.	(Rs.)	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Share Capital	1	126,276,222		111,642,892
Share Capital Suspense Account		—		10,863,330
Application Money Received for Share Warrants		94,500,000		131,702,500
Reserves and Surplus	2	<u>612,495,766</u>		<u>762,999,215</u>
			833,271,988	1,017,207,937
Secured Loans	3		159,810,946	542,240,147
Deferred Tax Liability			<u>7,769,581</u>	<u>1,077,921</u>
			<u>1,000,852,515</u>	<u>1,560,526,005</u>
APPLICATION OF FUNDS				
Fixed Assets:	4			
Gross Block		156,384,575		131,880,853
Less: Depreciation		<u>21,915,193</u>		<u>24,636,266</u>
Net Block			134,469,382	107,244,587
Investments	5		62,310,699	308,474,255
Current Assets, Loans and Advances :	6			
Closing Stock		107,990,490		300,254,670
Sundry Debtors		249,016,920		638,654,502
Cash and Bank Balances		303,929,594		468,650,566
Loans and Advances		<u>391,799,266</u>		<u>438,701,756</u>
			<u>1,052,736,270</u>	<u>1,846,261,494</u>
Less: Current Liabilities and Provisions :	7			
Current Liabilities		149,111,432		501,034,204
Provisions		<u>99,800,723</u>		<u>200,858,580</u>
			<u>248,912,155</u>	<u>701,892,784</u>
Net Current Assets			803,824,115	1,144,368,710
Miscellaneous Expenses				
Preliminary Expenditure (to the extent not written off)			161,209	333,083
Deferred Expenditure (to the extent not written off)			<u>87,110</u>	<u>105,370</u>
			<u>1,000,852,515</u>	<u>1,560,526,005</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	12			

As per our report of even date attached

For Jayesh Dadia & Associates

Chartered Accountants

G.M.Gandhi
Managing Director

C.C.Dalal
Director

Nishit Dave

Partner

M. No. : 120073

Mumbai, 30th June, 2009

A.B.Desai
Director

A.J.Chandra
Company Secretary

Mumbai, 30th June, 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.

	Schedule No.	1st April, 2008 to 31st March, 2009 (Rs.)	1st April, 2007 to 31st March, 2008 (Rs.)
INCOME			
Income from Operations	8	228,625,834	694,847,427
Income from Investments		77,125,546	213,105,091
Other Income	9	146,743,692	11,963,808
Total Income		<u>452,495,072</u>	<u>919,916,326</u>
EXPENDITURE			
Employment Cost	10	248,355,104	141,342,854
Administration and other expenses	11	128,025,746	129,332,644
Interest		56,076,739	50,626,480
Depreciation		12,011,943	5,692,647
Total Expenditure		<u>444,469,532</u>	<u>326,994,625</u>
PROFIT BEFORE TAX		8,025,540	592,921,701
Provision for Taxation		(3,131,000)	(134,088,000)
Fringe Benefit Tax		(2,569,180)	(2,202,104)
Deferred Tax		(6,691,659)	1,139,437
Prior Period Item(net of tax expense)		(115,529,115)	—
Excess/(Short) Provision for Tax of earlier year		(3,381,348)	(398,366)
PROFIT/(LOSS) AFTER TAX		(123,276,762)	457,372,668
Balance brought forward from previous year		334,382,137	53,182,203
Less: Adjustment on account of Pioneer Investcorp International Ltd.(the company under voluntary winding up)		<u>101,258,329</u>	—
NET PROFIT BEFORE APPROPRIATIONS		109,847,046	510,554,871
Less: Provision of Gratuity Liability		—	5,710,601
Less: Proposed Dividend		—	17,489,750
Less: Dividend Distribution Tax		—	2,972,383
Less: Transferred to General Reserve		—	150,000,000
BALANCE CARRIED TO BALANCE SHEET		109,847,046	<u>334,382,137</u>
Earning Per Share - (I) (See note 19)			
Basic		(0.66)	44.72
Diluted		(0.66)	40.40
Earning Per Share - (II) (See note 19)			
Basic		(10.54)	44.72
Diluted		(10.54)	40.40
Face Value of Share		10.00	10.00

**SIGNIFICANT ACCOUNTING POLICIES &
NOTES TO ACCOUNTS**

12

As per our report of even date attached

For Jayesh Dadia & Associates

Chartered Accountants

G.M.Gandhi
Managing Director

C.C.Dalal
Director

Nishit Dave

Partner

M. No. : 120073

Mumbai, 30th June, 2009

A.B.Desai
Director

A.J.Chandra
Company Secretary

Mumbai, 30th June, 2009

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009.

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Schedule 1		
SHARE CAPITAL		
Authorised		
25,000,000 Equity Shares (previous year 25,000,000) of Rs.10/- each	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid-up		
12,029,833 (10,566,500) Equity Shares of Rs.10/- each	<u>120,298,330</u>	<u>105,665,000</u>
Add :Amount paid up on Shares Forfeited	<u>5,977,892</u>	<u>5,977,892</u>
	<u><u>126,276,222</u></u>	<u><u>111,642,892</u></u>
Of the above:		
(1) 7,000 (Previous Year 174,500) equity shares of Rs 10/- each are allotted pursuant to ESOP Scheme' 2006		
(2) 1,086,333 (Previous Year Nil) equity shares of Rs 10/- each are allotted to the shareholders of Pioneer Tradestock Pvt. Ltd.,pursuant to the scheme of amalgamation.		
(3) 370,000 (Previous Year 2,065,000) equity shares of Rs 10/- each are allotted pursuant to Conversion of warrants		
Schedule 2		
RESERVES AND SURPLUS		
General Reserve	233,828,549	83,828,549
Add: Transferred from Profit & Loss Account	<u>—</u>	<u>150,000,000</u>
	233,828,549	233,828,549
Share Premium Account	104,577,250	65,576,750
Employees Stock Options		
Employees Stock options outstanding	4,673,970	7,596,382
Less: Deferred employee stock compensation	<u>1,464,179</u>	<u>4,430,091</u>
	3,209,791	3,166,291
Capital Reserve*	40,632,166	7,684,666
Capital (Amalgamation) Reserve Account	119,483,021	119,483,021
Foreign Exchange Currency Translation Reserve Account	917,943	(1,122,199)
Profit and Loss Account	<u>109,847,046</u>	<u>334,382,137</u>
	<u><u>612,495,766</u></u>	<u><u>762,999,215</u></u>
* Capital Reserve includes Rs.3,29,47,500 on account of forfeiture of Share Warrants application money received from Promoters due to non exercise of its conversion option into Equity Shares within the prescribed time limit.		
Schedule 3		
SECURED LOANS		
Term Loan-From Axis Bank Ltd. (Secured by first charge on hypothecation of all moveable capital assets to Axis Bank Ltd.)	57,275,381	26,404,716
Vehicle Loan-From ICICI Bank Ltd. (Secured against hypothecation of Vehicle)	3,868,007	1,661,736
Cash Credit-Federal Bank Ltd. (Secured against Government Security Papers)	10,823,865	284,293,228
Cash Credit - Punjab National Bank (Secured against Government Security Papers)	78,380,567	—
Term Loan-From ICICI Bank Ltd. (Secured by first charge on mortgage of office premises)	94,63,126	10,026,715
Indiabulls Financial Services Ltd (Secured by pledge of shares)	—	91,233,616
Sonata Investments Ltd (Secured by pledge of shares)	—	128,620,136
	<u><u>159,810,946</u></u>	<u><u>542,240,147</u></u>

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009.

Schedule 4

FIXED ASSETS

Particulars of Assets	Gross Block				Depreciation				Net Block	
	As at 01.04.2008 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	As on 31.03.2009 (Rs.)	Upto 01.04.2008 (Rs.)	For the year (Rs.)	Deductions/ Adjustments (Rs.)	Upto 31.03.2009 (Rs.)	As on 31.03.2009 (Rs.)	As on 31.03.2008 (Rs.)
Office Premises	48,272,668	—	33,943,848	14,328,820	7,105,073	650,418	7,333,165	422,327	13,906,493	41,167,595
Leasehold Office Premises	4,222,688	3,081,540	—	7,304,228	161,524	989,666	—	1,151,190	6,153,038	4,061,164
Office Equipments	31,191,950	19,877,697	1,912,742	49,156,905	6,002,720	5,085,814	867,686	10,220,848	38,936,057	25,189,230
Furniture & Fixtures	34,046,250	575,317	9,163,112	25,458,455	8,215,596	2,032,815	6,532,165	3,716,245	21,742,210	25,830,654
Vehicles	4,830,806	3,775,605	—	8,606,411	2,678,753	668,249	—	3,347,003	5,259,408	2,152,053
Software	8,355,760	8,889,447	—	17,245,207	139,266	2,251,647	—	2,390,913	14,854,294	8,216,494
License Fees	960,731	—	—	960,731	333,334	333,334	—	666,668	294,063	627,397
Capital Work In Progress	—	33,323,818	—	33,323,818	—	—	—	—	33,323,818	—
Total	131,880,853	69,523,424	45,019,702	156,384,575	24,636,266	12,011,943	14,733,016	21,915,193	134,469,382	107,244,587
Previous Year	81,124,394	50,756,459	—	131,880,853	18,610,285	6,025,981	—	24,636,266	107,244,587	62,514,109

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009.

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Schedule 5		
INVESTMENTS (Long Term, at cost)		
(A) Trade Investments in Associate Companies (Unquoted)		
Pioneer Insurance & Reinsurance Brokers Pvt. Ltd. (250,000 fully paid Equity Shares (previous year 250,000) of Rs.10/- each)	2,500,000	2,500,000
PINC India Opportunities Fund (incorporated in Mauritius) (1.01 fully paid Ordinary share of USD 1 Each)	40	40
Total (A)	2,500,040	2,500,040
(B) Trade Investments in Other Companies		
Quoted		
Arihant Foundations & Housing Ltd. (2,645 fully paid Equity Shares (previous year 2,645) of Rs. 10/- each) (Mkt Value as on 31st March 2009 is Rs. 142,169 (previous year Rs.809,106))	1,235,744	1,235,744
Adani Enterprises Ltd. (Nil fully paid Equity Shares (previous year 300,000) of Rs. 1/- each) (Mkt Value as on 31st March 2009 is Rs Nil.(previous year Rs.180,150,000))	—	176,444,605
Mundra Port & Special Economic Zone Ltd. (Nil fully paid Equity Shares (previous year 20,000) of Rs. 10/- each) (Mkt Value as on 31st March 2009 is Rs Nil.(previous year Rs.11,590,000))	—	24,114,073
Mercator Lines Ltd. (Nil fully paid Equity Shares (previous year 300,000) of Rs. 1/- each) (Mkt Value as on 31st March 2009 is Rs Nil.(previous year Rs.23,790,000))	—	46,383,391
Gujarat NRE Coke Ltd. (Nil fully paid Equity Shares (previous year 250,000) of Rs. 10/- each) (Mkt Value as on 31st March 2009 is Rs Nil.(previous year Rs.34,825,000))	—	32,209,903
Unquoted		
Bill Forge Pvt Ltd. (3,300 fully paid Equity Shares (previous year 3,300) of Rs. 10/- each)	16,516,500	5,049,000
Sansera Engineering Pvt. Ltd (265 fully paid Equity Shares (previous year 265) of Rs. 100/- each)	42,058,415	20,537,500
Total (B)	59,810,659	305,974,215
Total Investments (A + B)	62,310,699	308,474,255

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009.

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Schedule 6		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
Closing Stock of Government Security Papers* (at lower of cost or market value)	107,990,490	300,254,670
*(Government Securities Papers are pledged with Punjab National Bank)		
Sundry Debtors: ** (Unsecured and considered good)		
Outstanding for more than six months	6,525,864	82,467,960
Other Debts	<u>242,491,056</u>	<u>556,186,542</u>
	249,016,920	638,654,502
** (Debtors includes Rs. Nil (previous year Rs. 197,756,933) on account of sale of Investments)		
Cash and Bank Balances :		
Cash and Cheques on hand	784,086	791,064
Balances with Scheduled Banks:		
in Current Account	239,670,035	371,077,700
in Fixed Deposit Account***	60,565,015	93,012,522
Accrued interest on Fixed Deposits	<u>2,910,458</u>	<u>3,769,280</u>
	303,929,594	468,650,566
*** Fixed Deposit amounting to Rs. 46,000,000 (previous year Rs.86,125,000), under lien with Axis Bank Ltd. towards Bank Guarantee Exposures		
Loans and Advances : (Unsecured, considered good)		
Advances recoverable in cash or in kind for value to be received	158,968,211	116,754,555
Security Deposits	112,590,309	194,117,263
Service Tax	350,057	2,875,450
Fringe Benefit Tax	1,830,520	—
Advance Tax	<u>118,060,169</u>	<u>124,954,488</u>
	391,799,266	438,701,756
	<u>1,052,736,270</u>	<u>1,846,261,494</u>
Schedule 7		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities:		
Sundry Creditors (Due to other than micro and small enterprises)	127,827,002	418,647,171
Advance from Client	5,000,000	50,000,000
Other Liabilities	15,575,621	9,377,251
Mark to Market Margin Stock F&O Account	—	2,040,348
Provision for Loss on Index Options	—	9,938
Dividend Payable	—	17,489,750
Dividend Distribution Tax Payable	—	2,972,383
Unclaimed Dividends	708,809	497,363
	<u>149,111,432</u>	<u>501,034,204</u>
Provisions:		
Provision for Taxation	81,627,437	185,740,376
Provision for Gratuity	12,729,273	12,243,371
Provision for Leave encashment on retirement	672,729	672,729
Provision for Fringe Benefit Tax	4,771,284	2,202,104
	<u>99,800,723</u>	<u>200,858,580</u>
	<u>248,912,155</u>	<u>701,892,784</u>

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.

	1st April, 2008 to 31st March, 2009 (Rs.)	1st April, 2007 to 31st March, 2008 (Rs.)
Schedule 8		
INCOME FROM OPERATIONS		
Income from Syndication Services/Securities	146,400,171	547,109,307
Income from Portfolio Management Services	284,122	—
Income from Brokerage and Depository Services	<u>81,941,541</u>	<u>147,738,120</u>
	<u><u>228,625,834</u></u>	<u><u>694,847,427</u></u>
Schedule 9		
OTHER INCOME		
Interest Income	11,488,459	6,581,919
Commission	75,000	100,000
Rent	3,913,733	4,985,988
Miscellaneous Income	2,487,619	117,185
Dividend received	108,188,725	178,717
Profit on sale of Fixed Assets	<u>20,590,156</u>	—
	<u><u>146,743,692</u></u>	<u><u>11,963,808</u></u>
Schedule 10		
EMPLOYMENT COST		
Salaries and Bonus	238,548,727	130,038,268
Gratuity	1,113,545	5,286,213
Employees Stock Compensation Expense	109,650	2,255,941
Employer's Contribution to Provident Fund	1,553,488	1,056,790
Staff Welfare	<u>7,029,694</u>	<u>2,705,642</u>
	<u><u>248,355,104</u></u>	<u><u>141,342,854</u></u>

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.

	1st April, 2008 to 31st March, 2009 (Rs.)	1st April, 2007 to 31st March, 2008 (Rs.)
Schedule 11		
ADMINISTRATION AND OTHER EXPENSES		
Rent	30,430,927	16,917,156
Rates and Taxes	1,171,103	4,195,730
Power and Fuel	3,212,102	2,413,784
Bank Charges	4,153,796	2,543,019
Business Promotion	3,413,880	6,340,591
Conference and Seminar	950,883	5,075,736
Computer and Software Expenses	1,158,127	1,484,735
Membership and Subscription	5,471,223	3,927,473
Repairs & Maintenance	4,106,940	2,465,309
Office Expenses	2,985,402	2,272,652
Postage, Telex and Telephones	8,574,545	6,754,095
Printing and Stationery	2,568,838	4,088,967
Directors' Sitting Fees	387,350	600,000
Travelling and Conveyance	14,840,279	17,152,689
Motor Car Expenses	13,218,353	6,970,640
Advertisement	192,177	3,294,786
Legal and Professional Charges	13,251,739	23,351,574
SEBI Fees	281,580	420,519
Securities Transaction Tax	1,615,531	3,151,375
Transaction Charges	2,816,086	4,122,334
Vanda Account	2,722,554	2,381,077
Auditors' Remuneration:		
Audit Fees	758,263	1,017,189
Tax Audit Fees	50,000	50,000
Certification work	90,000	60,000
	<u>898,263</u>	<u>1,127,189</u>
Preliminary Expenses w/off	79,953	158,073
Amortisation of Share Issue Expenses	110,180	158,300
Miscellaneous Expenses	9,413,935	7,964,842
	<u>128,025,746</u>	<u>129,332,644</u>

Schedule 12

Significant Accounting Policies and Notes to Consolidated Accounts

A. Significant Accounting Policies

1. Basis of Consolidation

a) Basis of Preparation

The individual Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009 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.

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2009.

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, 2009 and Profit and Loss Account for the year ended March 31, 2009 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 Private Limited (Formerly known as Marine Drive Investments & Trading Company Private Limited)

Pioneer Investcorp International Limited, Dubai, (a wholly owned subsidiary of Pioneer Investcorp Limited), being under voluntary winding up, 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 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, in accordance with the Accounting Standard 2- "Inventory Valuations" issued by ICAI.

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.

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2009.

- 3 At the time of Balance Sheet date, if the premium prevailing in the market for a contract of similar nature is lower than the premium so paid, then provision is made for the difference in the Profit & Loss Account.
If the premium received is lower than the premium prevailing in the market for contract of similar nature, appropriate provision for loss will be made by debiting Profit & Loss Account and crediting provision for loss on Index/Stock Option Account appearing under the head Current Liability.
 - 4 At the time of settlement or at the time of squaring-up, premium is recognized either as expense or income as the case may be.
- 6. Borrowing Cost**
Borrowing Cost that are attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. Such expenses are shown under Capital Work in Progress to be allocated to the relevant items of assets on such assets being put to use.
A qualifying asset is an asset that takes substantial period of time to get ready for the intended use.
Borrowing Cost other than those incurred for qualifying asset is expensed out in the year in which it is incurred.
- 7. Investments**
All Investments are stated at cost and provision for diminution in value of permanent nature, if any, of Investments is charged to the Profit and Loss account.
- 8. Revenue Recognition**
- a) Advisory & Syndication Fees is recognized on the completion of assignment.
 - b) Brokerage income on Secondary Market transactions and Future & Options market transactions is recognized on settlement date.
 - c) Brokerage income on debt market transaction is recognized at the end of the month
 - d) Income from Securities/Investments is recognized on accrual basis.
- 9. Foreign Exchange Transactions**
Transactions in foreign currencies are recorded at the prevailing rates at the time transactions are effected. Foreign currency assets & liabilities outstanding at the year-end are translated at the rates of exchange ruling on that day. Any gain or loss on transactions are accounted in the Profit & Loss account, or adjusted in the value of Fixed Assets/Investments, as applicable.
- 10. Retirement Benefits**
- a) **Defined Contribution Plan**
Company's contribution paid/payable during the year to provident fund, are charged to Profit & Loss Account. There are no other obligations other than the contribution payable to the respective trusts.
 - b) **Defined Benefit Plan**
Company's liability towards gratuity are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discounted rate that is determined by the reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.
- 11. Deferred Employee Stock Compensation**
The Company has formulated an Employees Stock Option Scheme. The Scheme provides that employees are granted an option converted into equity shares of the Company that vests in a granted manner. The options may be exercised within a specified period. The Company follows the intrinsic value method as prescribed by the guidance note on "Accounting for stock options" issued by the Institute of chartered accountants of India ("ICAI") to account for its stock-based employees compensation plans. The

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2009.

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

12. Miscellaneous Expenditure

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

13. Contingencies and Events occurring after the Balance Sheet Date

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

14. Taxes on Income

Provision for current Income Tax and Fringe Benefit Tax has been computed in accordance with relevant tax regulations. Deferred tax is recognized 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 recognized subject to the management judgment that the realisation is reasonably certain.

15. Impairment of Assets

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

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

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

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

B. NOTES TO ACCOUNTS

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

Names of Subsidiary Companies	% holding of Pioneer Investcorp Ltd.	Date of Financial Statement
Pioneer Wealth Management Services Limited	100	31st March' 2009
Pioneer Money Management Limited	100	31st March' 2009
Pioneer Investment Advisory Services Limited	100	31st March' 2009
Pioneer Commodity Intermediaries Private Limited	100	31st March' 2009
Infinity.com Financial Securities Limited	100	31st March' 2009
PINC Fund Advisors LLC (Incorporated in Mauritius)	100	31st March' 2009
Pioneer Fundinvest Private Limited (formerly known as Marine Drive Investments and Trading Company Private Limited)	100	31st March' 2009

Note: Pioneer Investcorp International Limited, Dubai, (a wholly owned subsidiary of Pioneer Investcorp Limited), being under voluntary winding up and the same is not considered in the preparation of these consolidated Financial Statements. Hence the previous year's figures are not comparable to that extent.

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2009.

20. Related Party Disclosures

Category I : Key Management Personnel

- 1) Mr. M. M. Gandhi - Managing Director (up to 30.9.07)
- 2) Mr. G. M. Gandhi - Managing Director
- 3) Mr. Hemang Gandhi - Director of Subsidiary
- 4) Mr. Ketan Gandhi - Director of Subsidiary
- 5) Mr. Rakesh Bhatia - Director of Subsidiary

Category - II - Relatives of Key Management Personnel

Directors' Wives

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

Directors' Children

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

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

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

Category IV : Associate Concern

Associated Instruments & Services

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2009.

Details of related party transaction carried out during the year ended 31st March, 2009

Nature of Transactions ((Received)/Paid)	(Amount in Rs.)	
	2008-2009	2007-2008
Details of transactions with key management personnels (referred as category-I)		
Managerial Remuneration	—	2,038,774
Share Capital	(3,700,000)	(650,000)
Share Premium	(38,850,000)	(6,825,000)
Share Warrant Application Money	—	(132,450,000)
Sale of Investments	(348,000,856)	(65,567,091)
Purchase of Investments	90,633,796	330,337,060
Brokerage earned on purchase/sale of securities	(65,984)	(194,288)
Brokerage earned on F&O transactions	(11,448)	(14,066)
Closing Balances on account of Securities transactions (Debit/(Credit))	—	(39,168)
Details of transactions with relatives of key management personnels (referred as category-II)		
Sale of Investments	(58,105,552)	(148,573,345)
Purchase of Investments	20,894,295	132,593,488
Brokerage earned on purchase/sale of securities	(49,566)	(792,984)
Brokerage earned on F&O transactions	(523,930)	(1,305,813)
Closing Balances on account of Securities transactions (Debit/(Credit))	(13,816,190)	(4,475,655)
Details of transactions with companies under common control (referred as category-III)		
Sale of Investments	(125,270,855)	(177,847,038)
Purchase of Investments	92,736,079	289,331,188
Brokerage earned on purchase/sale of securities	(119,751)	(195,268)
Brokerage earned on F&O transactions	(11,857)	(16,160)
Closing Balances on account of Securities transactions (Debit/(Credit))	(66,063,249)	(41,373)
Commission received on account of Bank Guarantees	—	(100,000)
Purchase of Vehicles	2,173,096	—
Income from trading in Government Securities	(25,931,988)	—
Repairs of Motor Cars	—	104,296

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2009.

21. Segment Reporting

	Advisory & Merchant Banking Fees	Income From Securities/ Investments	Equity Brokerage and related Income	Total As on 31.3.2009
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Segment Revenue	250,592,642	(26,756,278)	91,659,291	315,495,655
	<i>590,293,469</i>	<i>171,457,123</i>	<i>153,062,561</i>	<i>914,813,153</i>
Add:Unallocated Revenue	—	—	—	136,999,417
	—	—	—	<i>5,103,173</i>
Total Revenue	250,592,642	(26,756,278)	91,659,291	452,495,072
	<i>590,293,469</i>	<i>171,457,123</i>	<i>153,062,561</i>	<i>919,916,326</i>
Segment Result before Tax	153,466,859	(93,826,444)	74,879,095	134,519,510
	<i>432,232,861</i>	<i>107,233,265</i>	<i>54,052,117</i>	<i>593,518,243</i>
Add:Unallocated Income/ (expenses)(net)	—	—	—	(126,493,972)
	—	—	—	<i>596,542</i>
Profit before Tax	—	—	—	8,025,538
	—	—	—	<i>592,921,701</i>
Interest and Finance Charges	—	—	—	—
	—	—	—	—
Provision for Tax	—	—	—	(12,391,839)
	—	—	—	<i>(135,150,667)</i>
Prior Period Adjustment	—	—	—	(115,529,115)
	—	—	—	—
Provision for Tax for earlier years	—	—	—	(3,381,348)
	—	—	—	<i>(398,366)</i>
Net Profit	—	—	—	(123,276,764)
	—	—	—	<i>457,372,668</i>
Segment Assets	382,647,398	216,922,845	122,078,230	721,648,473
	<i>131,640,007</i>	<i>818,387,752</i>	<i>691,758,434</i>	<i>1,641,786,194</i>
Add:Unallocated Assets	—	—	—	528,116,199
	—	—	—	<i>620,632,596</i>
Total Assets	—	—	—	1,249,764,672
	—	—	—	<i>2,262,418,789</i>
Segment Liabilities	91,014,796	84,455,619	105,538,773	281,009,188
	<i>187,187,186</i>	<i>506,197,266</i>	<i>359,336,253</i>	<i>1,052,720,705</i>
Add:Unallocated Liabilities	—	—	—	135,483,494
	—	—	—	<i>192,490,147</i>
Total liabilities	—	—	—	416,492,682
	—	—	—	<i>1,245,210,852</i>
Capital Expenditure	69,523,424	—	—	69,523,424
	<i>49,795,728</i>	—	—	<i>49,795,728</i>
Depreciation	11,553,234	458,709	—	12,011,943
	<i>5,139,362</i>	—	—	<i>5,139,362</i>
Unallocated Depreciation	—	—	—	—
	—	—	—	<i>553,285</i>
Total Depreciation	—	—	—	12,011,943
	—	—	—	<i>5,692,647</i>

SCHEDULES TO CONSOLIDATED ACCOUNTS : 31ST MARCH, 2009.

Notes:

- 1) Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organization structure as well as the differential risks and returns of these segments.
 - 2) The Company has disclosed business segments as the primary segment.
 - 3) There are no reportable geographic segments.
 - 4) Figures in *Italics* are previous year figures.
22. In accordance with the Accounting Standard 22 "Accounting for taxes on income" (AS 22) issued by the ICAI, the Company has accounted for deferred taxes during the year. Following are the major components of deferred tax (assets)/liabilities.

		Year Ended 31/03/2009 (Rs.)	Year Ended 31/03/2008 (Rs.)
Deferred Tax Liability			
On account of Depreciation difference	(1)	12,837,604	5,618,111
Deferred Tax Asset			
On account of 43B disallowances & b/f losses	(2)	5,068,023	4,540,190
Net Deferred Tax Liability/(Asset)	(1 - 2)	7,769,581	1,077,921

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

Signature to Schedule 1 to 12
For Jayesh Dadia & Associates
 Chartered Accountants

G.M.Gandhi
 Managing Director

C.C.Dalal
 Director

Nishit Dave
 Partner
 M. No. : 120073
 Mumbai, 30th June, 2009

A.B.Desai
 Director

A.J.Chandra
 Company Secretary

Mumbai, 30th June, 2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009.

	2008 - 2009 (Rs.)	2007 - 2008 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	8,025,540	592,921,701
Adjustment for :		
Depreciation & Obsolescence	12,011,943	5,692,647
Prior Period item	(115,529,115)	—
Adjustment on account of Pioneer Investcorp International Ltd.	(101,258,328)	—
Employee Stock Compensation Expense	109,650	2,255,941
Profit on Sale of Investments	(77,125,546)	(213,105,091)
Profit on Sale of Fixed Assets	(20,590,156)	—
Preliminary Expenses	190,133	316,372
Interest / Dividend	(119,677,184)	(6,760,636)
	(421,868,603)	(211,600,767)
Operating Profit before working capital changes	(413,843,063)	381,320,935
Adjustment for :		
Trade and other receivables	623,740,453	(645,765,340)
Trade and other payables	(458,680,810)	335,471,713
	165,059,643	(310,293,627)
Direct taxes paid	1,682,450	(105,048,954)
Net cash from Operating Activities	(247,100,970)	(34,021,646)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(69,523,424)	(49,795,729)
Sale of Fixed Assets	50,876,844	—
Sale of Investment-Others	396,864,018	769,718,805
Purchase of Investment-Others	(73,574,915)	(749,950,227)
Purchase of Investment-Subsidiaries/Associates	—	(136,179,770)
Interest/Dividend received	119,677,184	6,760,636
Net Cash used in Investing Activities	424,319,707	(159,446,285)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Car loans taken/(repaid)	2,206,271	(574,878)
Term loans repaid	(563,589)	(7,539,886)
Cash Credit taken/(repaid)	(195,088,797)	59,065,563
Term loans taken	30,870,665	20,879,431
Loans taken/(repaid) from Financial Institutions	(219,853,752)	219,853,752
Provision of Gratuity Liability of Previous Years	—	(5,710,601)
Dividend	—	(17,489,750)
Dividend Distribution Tax	—	(2,972,383)
Share Warrant Application Money	(37,202,500)	127,502,500
Capital reserve (Amalgamation)	—	119,483,021
Capital reserve	32,947,500	4,910,488
Share Premium	39,000,500	32,576,750
Employee Stock Option Reserve Reversal on issue	(66,150)	(1,649,025)
Share Capital Suspense Account	(10,863,330)	10,863,330
Share Capital Issued	14,633,330	22,395,000
Foreign Exchange Currency Translation Reserve Account	2,040,148	(1,122,199)
Net Cash used in Financing Activities	(341,939,709)	580,471,113
Net Increase in cash and cash equivalents	(164,720,972)	387,003,182
Cash and cash equivalents at beginning of the year	468,650,566	81,647,384
Cash and cash equivalents at end of the year	303,929,594	468,650,566

G.M.Gandhi
Managing Director

C.C.Dalal
Director

A.B.Desai
Director

A.J.Chandra
Company Secretary

Mumbai, 30th June, 2009

PIONEER INVESTCORP LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company at Kilchand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai 400 020 on Thursday, the 3rd September, 2009 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 Fourth Annual General Meeting of the Company to be held on Thursday, 3rd September, 2009 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 _____ 2009.

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.



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