PINC PIONEER INVESTCORP LIMITED

November 25, 2020.

**To,**
**BSE Limited**
Corporate Relationship Department
1st Floor, New Trading Ring,
B.J. Towers, Dalal Street,
Fort, Mumbai- 400 001
Fax:- 022-22722061/41/39/37

Dear Sir,

**Kind Attn.:- Manish Raval – Asst. Manager – Listing Compliance**

**Sub: Annual Report of 35th Annual General Meeting of the Company.**
**(Compliance of Regulation 34 of SEBI (LODR) Regulations, 2015.**

**Company Code: 507864**

Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, please find annexed herewith copy of Annual Report of the 35th Annual General Meeting of the Company to be held on 17th December 2020 at 02.30 p.m. through Audio / Video conferencing.

This is for your information and record.

We request you to acknowledge receipt of the same.

Thanking you,

Yours faithfully,
for **PIONEER INVESTCORP LIMITED**

**AMIT CHANDRA**
**COMPANY SECRETARY**

Encl.: a.a.

1218, Maker Chambers V, Nariman Point, Mumbai 400 021. | Tel: 91-22-6618 6633 | Fax: 91-22-2204 9195 | www.pinc.co.in | CIN No: L65990MH1984PLC031909

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PIONEER INVESTCORP LIMITED | ANNUAL REPORT 2019 - 20

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# COMPANY INFORMATION

## BOARD OF DIRECTORS

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

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

**Mrs. K. C. Maniar**
Non-Executive Independent Director

**Mr. A. T. Krishnakumar**
Non-Executive Independent Director
(w.e.f. 23rd August, 2019)

**Mr. C. C. Dalal**
Non-Executive Independent Director
(up to 12th December, 2019)

## MANAGEMENT PERSONNEL

**Mr. S. M. KABRA**
Chief Financial Officer

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

## AUDITORS

**M/s. J. D. Jhaveri & Associates**
Chartered Accountants

## REGISTERED OFFICE

1218, Maker Chambers V,
12th Floor, Nariman Point, Mumbai 400 021.
Tel: 022 6618 6633 / 2202 1171
Fax: 022 2204 9195
Email: investor.relations@pinc.co.in
website : www.pinc.co.in
CIN : L65990MH1984PLC031909

## REGISTRAR & SHARE TRANSFER AGENTS

**Satellite Corporate Services Private Ltd.**
Office No. A-106/107, Dattani Plaza, East West Compound, Nr Safed pool, Andheri Kurla Road, Sakinaka Mumbai - 400072
Tel: 022 2852 0461/ 62
Email: service@satellitecorporate.com
scs_pl@yahoo.co.in

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIFTH ANNUAL GENERAL MEETING OF PIONEER INVESTCORP LIMITED will be held on Thursday 17th December, 2020 at 2.30 P.M. through Video Conferencing (”VC”)/ other Audio Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions:

   (a) The Audited Financial Statements of the Company for the financial year ended 31st March, 2020 including audited Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Auditors and Directors thereon;

   (b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 including audited Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss for the year ended on that date.

### SPECIAL BUSINESS

2. To appoint Mr. Anand Brijendra Desai (Din: 01488287) as Independent Director.

   To consider and if thought fit, to pass the following Resolution as a Special Resolution:

   “RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and all other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the provisions of the Articles of Association of the Company, and basis the recommendation of Nomination & Remuneration Committee and the Board of Directors of the Company, Mr. Anand Brijendra Desai (Din: 01488287), who was appointed as an Additional Director (Independent non-executive) pursuant to the provisions of Section 161 and other applicable provisions of the Act to hold Office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five (5) consecutive years from the date of his appointment by the Board, not liable to retire by rotation.”

3. To re-appoint Mrs. Kamlini Chaitan Maniar (DIN 06926167) as Independent Director.

   To consider and if thought fit, to pass the following Resolution as a Special Resolution:

   “RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and all other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the provisions of the Articles of Association of the Company, and basis the recommendation of Nomination & Remuneration Committee and the Board of Directors of the Company, Mrs. Kamlini Chaitan Maniar (DIN 06926167), who was appointed as an Director (Independent non-executive) pursuant to the provisions of Section 161 and other applicable provisions of the Act to hold Office up to the date of this Annual General Meeting and in respect of her the Company has received a notice in writing under Section 160 of the Act, proposing her candidature for the office of Director, be and is hereby reappointed as an Independent Director of the Company for a period of five (5) consecutive years from the date of her reappointment by the Board, not liable to retire by rotation.”

4. To authorise Board of Directors for issuance and allotment of Secured Non-Convertible Debentures ("NCD's") aggregating up to Rs. 300 Crores in such tranches on such terms and conditions to be decided by the Board of Directors.

   To consider and if thought fit, to pass, the following resolution as a Special Resolution:

   "RESOLVED THAT, pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the rules made thereunder, the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations 2015, Securities and Exchange Board of India (Issue And Listing of Debt Securities) Regulations, 2008, as amended, the Foreign Exchange Management Act, 1999, including any statutory modifications or amendments thereto or re-enactments or substitutions made thereof for the time being in force, the rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, Reserve Bank of India, SEBI and/ or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from any regulatory authority and subject to such conditions as may be prescribed by such regulatory authority while granting such approvals, consents, permissions and sanctions, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee or authorised person(s) which the Board has constituted or appointed to exercise its powers, as the case may be, including the powers, conferred by this Resolution), to make offer(s) or invitation(s) to subscribe for a Secured Redeemable Non-Convertible Debentures in one or more series, denominated in Indian rupees including but not limited to subordinated debentures, bonds, and/or other debt securities, etc. ("NCD's"), on a private placement basis, in one or more tranches, during the period of one year from the date of passing of Special resolution aggregating up to Rs 300 Crores (Rupees Three hundred Crores only), on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and in the best interest of the Company;

   RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board/Committee, as the case may be, be and is hereby authorized to determine and consider terms that are proper and most beneficial to the Company including inter-alia, without limitation, the terms of issue including the class of investors to whom the NCDs are to be issued, time, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium/ discount, utilization of the issue proceeds, etc. and to do all such acts and things and deal with all such matters and also to take all such steps as may be necessary and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writings, as may be required in this regard and matters connected therewith or incidental thereto."

By Order of the Board of Directors
For Pioneer Investcorp Limited

Registered Office :
1218, Maker Chambers V, Nariman Point,
Mumbai – 400 021.
Date: 11th November, 2020.
Place: Mumbai.

Amit Chandra
Company secretary

## IMPORTANT NOTES:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated September 8, 2020 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.

3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/itself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

4. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.

5. Details of Directors seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice.

6. **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

   In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.pinc.co.in, website of the Stock Exchanges, i.e., BSE Limited at www.bseindia.com and on the website of Company's Registrar and Transfer Agent, Satellite Corporate Services Private Limited at https://www.satellitecorporate.com.

7. For receiving all communication (including Annual Report) from the Company electronically:

   (a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at investor.relations@pinc.co.in or to Satellite at service@satellitecorporate.com or scs_pl@yahoo.co.in

   (b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

**PROCEDURE FOR REMOTE E-VOTING:**

8. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting").

   (i) The voting period begins on Monday, 14th December 2020 at 10.00 hrs and ends on Wednesday, 16th December 2020 at 17.00 hrs. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday, 10th December 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently. The voting rights of Members (for voting through remote e-voting before the AGM and e-voting during the AGM) shall be in proportion to their shares held in the paid up equity share capital of the Company as on cut-off date i.e. Thursday, 10th December 2020.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br><br>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field |
| Dividend Bank Details or<br>Date of birth | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant PIONEER INVESTCORP LIMITED

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR REMOTE E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company RTA email id. at investor.relations@pinc.co.in or to RTA email id service@satellitecorporate.com or scs_pl@yahoo.co.in.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to by email to Company at investor.relations@pinc.co.in or to RTA email id service@satellitecorporate.com or scs_pl@yahoo.co.in.

3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requisition advance atleast 6 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 6 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

iii) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

iv) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

vi) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor.relations@pinc.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

xxi If you have any queries or issues regarding attending Annual General Meeting & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

xxii. The Board of Directors has appointed Shri. Aspi Bhesania proprietor of Aspi Bhesania & Associates, Company Secretary in Whole Time Practice (ICSI membership number: 6119 C.P. no.9657) as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.pinc.co.in and and on the website of CDSL and communicated to the Stock Exchange.

xxiii The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast during the Meeting, thereafter unblock the votes cast through remote e-voting before the Meeting and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

xxiv The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.pinc.co.in and on the website of CDSL and communicated to the BSE Limited where the shares of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.

xxv Subject to the receipt of requisite number of votes, the Resolutions forming part of the AGM Notice shall be deemed to be passed on the date of the AGM i.e. 17th December, 2020 xxvi Please note the important dates

| EVENT | DATE | TIME |
|---|---|---|
| CUT OFF DATE FOR VOTING | Thursday, 10/12/2020 | - |
| EVOTING START | Monday, 14/12/2020 | 10.00 A.M |
| EVOTING END | Wednesday, 16/12/2020 | 05.00 P.M |
| AGM DATE | Thursday, 17/12/2020 | 02.30 P.M |

9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 3.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

   All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investor.relations@pinc.co.in.

10. Members seeking any information with regard to accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Thursday, 10th December, 2020 through email on investor.relations@pinc.co.in. The same will be replied by the Company suitably.

11. Under Section 124 of the Companies Act, 2013 (205A of the Companies Act, 1956) the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Companies Act, 2013 and the applicable rules.

    The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2011-12, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

    Further Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Companies Act, 2013 and the applicable rules.

    Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority.

12. The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding and Register of Contract or Arrangements in which Directors are interested are available for inspection at the Registered Office of the Company during business hours between 11.00 AM to 3.00 PM. except on Saturdays and holidays. Members seeking to inspect such documents can send an email to investor.relations@pinc.co.in.

13. With a view to using natural resources responsibly, Company request members who are holding Shares in demat to update their email address with their depository participant and those who are holding shares in physical from to update their email address to Company's Registrar & Share Transfer Agent (RTA).

14. Non-resident Indian Members are requested to inform about the following to the Company or its RTA or the concerned DP as the case may be, immediately:

    a. the change in the residential status and

    b. the particulars of the NRE Account with a Bank in India with complete name, branch, account type, account number and address of the bank with pin code, if not furnished earlier.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent (RTA).

16. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available in downloaded form on the Company's website at www.pinc.co.in, websites of the Stock Exchange, i.e., BSE Limited at www.bseindia.com and on the website of Company’s Registrar and Transfer Agent, Satellite Corporate Services Private Limited at https://www.satellitecorporate.com

17. Securities and Exchange Board of India (“SEBI”) has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / Satellite have stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

18. The term 'Members' has been used to denote Shareholders of Pioneer Investcorp Limited.

By Order of the Board of Directors
For Pioneer Investcorp Limited

Registered Office :
1218, Maker Chambers V,
Nariman Point,
Mumbai – 400 021.
Date: 11th November, 2020.
Place: Mumbai.

Amit Chandra
Company secretary

## Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out all material facts relating to special business mentioned in the Notice:

### Item No. 2

Mr. Anand Brijendra Desai (Din: 01488287), who was appointed as an Additional Director (Independent – Non-executive) of the Company w.e.f. December 12th, 2019 pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 (the 'Act'), holds office up to the date of this Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier and is eligible for appointment. In terms of Section 160 of the Act, the Company has received a notice in writing from a Member signifying his intention to propose the candidature of Mr. Anand Brijendra Desai (Din: 01488287) for the office of Director. Mr. A. B. Desai has furnished consent/declarations for his appointment as required under the Act and the Rules made there under.

Anand Desai is a qualified Chartered Accountant with immense and varied experience spanning 40 years. Anand was an Investment Banker by profession prior to joining PINC Board, he worked with J. M. Financial & Kotak Mahindra.

Anand has since set up his own Business Advisory Consultancy “MultiConsult”, and brings his rich and varied experience in offering strategic advise to Indian and International Corporate.

The Nomination & Remuneration Committee ('N&RC') had assessed the profile of Mr. Desai and having found him to be 'Fit and Proper', recommended his appointment to the Board of Directors. In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the Company, basis the recommendation of the N&RC, have reviewed the profile of Mr. Desai and the declarations that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that he fulfils the criteria of independence.

In the opinion of the Board, Mr. Desai meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being appointed as an Independent Director. Considering his vast expertise and knowledge in the field of Investment Banking, Finance, Corporate Advisory, Consultancy, it would be in the interest of the Company that Mr. Desai be appointed as an Independent Director on the Board of the Company.

Mr. Desai's appointment is in compliance with the provisions of applicable statutory Act, Rules and Regulations. (For detailed experience statement, please refer the enclosed profile).

Your Directors, therefore, recommends the appointment of Mr. Desai (DIN: 01488287) as an Independent non-executive Director of the Company, for a period of five (5) years, not liable to retire by rotation, as set forth in Item No. 2 of this Notice.

Save and except Mr. Desai and his relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution.

**Additional information on Directors being appointed/re-appointed as required under Regulation 36(3) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in the order of the items mentioned in the Notice:**

**THE STATEMENT OF DISCLOSURES PURSUANT TO SECRETARIAL STANDARD- II ON GENERAL MEETING AND SEBI LODR REGULATIONS ARE AS UNDER:**

| | |
|---|---|
| Particulars (Name) | Mr. Anand Brijendra Desai |
| Director Identification Number | 01488287 |
| Age | 65 |
| Date of Birth | 05/04/1956 |
| Date of first Appointment on Board | 18/01/2008 |
| Qualification | Chartered Accountant (CA) |
| Experience/Expertise | 40 years / Investment Banking |
| Terms and Conditions of Appointment or re-appointed along with remuneration | Independent non-executive Director of the Company, for a period of five (5) years, not liable to retire by rotation |
| The last drawn remuneration | Nil |
| Shareholding in the Company | Nil |
| Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company | Nil |
| The Number of Meetings of the Board attended during the year | 5 |
| Other Directorships | Multi Consult Private Limited |
| Memberships/ Chairmanship of Committees | Committee Membership: Nil<br>Committee Chairmanship: Nil |

**Item No. 3**

Mrs. Kamlini Chaitan Maniar (Din: 06926167), who was appointed as an Director (Independent – Non-executive) of the Company w.e.f. August 28th, 2015 for a period of consecutive period of 5 years, not liable to retire by rotation, pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 (the 'Act'), holds office up to the date of this Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier and is eligible for reappointment. In terms of Section 149(10) read with Section 160 of the Act, the Company has received a notice in writing from a Member signifying his intention to propose the candidature of Mrs. Kamlini Chaitan Maniar (Din: 06926167) for the office of Director. Mrs. K. C. Maniar has furnished consent/declarations for her reappointment as required under the Act and the Rules made there under.

Mrs. Maniar is a qualified LLB with experience of over 3 decades in the field of Corporate Finance and Banking. Mrs. Maniar was an ex-banker by profession prior to joining PINC Board, she worked with Bank of India as a Senior Banker, with 32 years of experience of core area expertise in Corporate Financing, Foreign Exchange, Diamond Business financing and retail Banking operations. She also headed as CEO for almost 10 years with Ador Finance Ltd., an RBI registered NBFC & an affiliate Company of Ador Weldings Ltd. handling lending, Share/Debenture Issues, Foreign Loan tie-ups & Share Transfer Registry.

The Nomination & Remuneration Committee ('N&RC') had assessed the profile of Mrs. Maniar and having found her to be 'Fit and Proper', recommended her reappointment to the Board of Directors. In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the Company, basis the recommendation of the N&RC, have reviewed the profile of Mrs. Maniar and the declarations that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1) (b) of the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that she fulfils the criteria of independence.

In the opinion of the Board, Mrs. Maniar meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being reappointed as an Independent Director. Considering her vast expertise and knowledge in the field of Corporate Finance and Banking, it would be in the interest of the Company that Mrs. Maniar be reappointed as an Independent Director on the Board of the Company.

Mrs. Maniar's reappointment is in compliance with the provisions of applicable statutory Act, Rules and Regulations. (For detailed experience statement, please refer the enclosed profile).

Your Directors, therefore, recommends the reappointment of Mrs. Maniar (DIN: 06926167) as an Independent non-executive Director of the Company, for a period of five (5) years, not liable to retire by rotation, as set forth in Item No. 3 of this Notice.

Save and except Mrs. Maniar and her relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution.

**Additional information on Directors being appointed/re-appointed as required under Regulation 36(3) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in the order of the items mentioned in the Notice:**

**THE STATEMENT OF DISCLOSURES PURSUANT TO SECRETARIAL STANDARD- II ON GENERAL MEETING AND SEBI LODR REGULATIONS ARE AS UNDER:**

| Particulars (Name) | Mrs. Kamlini Chaitan Maniar |
|---|---|
| Director Identification Number | 01488287 |
| Age | 81 |
| Date of Birth | 24/04/1939 |
| Date of first Appointment on Board | 22/06/2015 |
| Qualification | LLB |
| Experience/Expertise | 32 years / Corporate Finance & Banking |
| Terms and Conditions of Appointment or re-appointed along with remuneration | Independent non-executive Director of the Company, for a period of five (5) years, not liable to retire by rotation |
| The last drawn remuneration | Nil |
| Shareholding in the Company | Nil |
| Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company | Nil |
| The Number of Meetings of the Board attended during the year | 3 |
| Other Directorships | Foods & Inns Limited<br>Muller and Phipps (India) Limited |
| Memberships/ Chairmanship of Committees | Committee Membership: 2<br>Committee Chairmanship: Nil |

**Item No. 4**

The Board of Directors at its meeting dated 11th November, 2020 approved for Issuance and allotment of Secured Non-Convertible Debentures including but not limited to subordinated debentures, bonds, and/or other debt securities, etc. ("NCD's") on a private placement basis, aggregating upto Rs.300 Crores on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and in the best interest of the Company subject to approval by the Shareholders through Special Resolution.

As per Section 71 of the Companies Act, 2013 a company may issue debentures with respect to Section 42 of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus & Allotment of Securities) Second Amendment Rules, 2018 states that a Company shall not make an offer or invitation to subscribe to securities through private placement unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the shareholders of the company, by a special resolution, for each of the Offers or Invitations. Third Proviso to Rule 14(1) states that in case of offer or invitation for non-convertible debentures, where the proposed amount to be raised through such offer or invitation exceeds the limits as specified in Section 180(1)(c) of the Act, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitation for such debentures during the year.

Accordingly, the approval of the members is sought by way of special resolution to issue and allot secured non-convertible debentures including but not limited to subordinated debentures, bonds, and/or other debt securities, etc. ("NCD's") on a private placement basis aggregating upto Rs. 300 Crores, in such tranches and as per the terms to be decided by the Board.

The Board therefore commends the passing of the Special Resolution as set out at Item No. 4 of the accompanying Notice for approval by the members of the Company.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this Special Resolution as set out at Item No. 4 of the accompanying Notice.

## DIRECTORS' REPORT

**To The Members,**

The Board of Directors are pleased to present 35th Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the year ended 31st March, 2020.

| Financial Highlights | 2019-2020 (Rs. in lakhs) | 2018-2019 (Rs. in lakhs) |
|---|---|---|
| Profit before Tax | 340.07 | 21.80 |
| Less/(Add): Tax expenses | 122.56 | (12.21) |
| Net Profit after Tax | 217.51 | 34.01 |

**Economic Review in the midst of COVID-19 pandemic**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdowns in a phase manner to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

The steps initiated by various governments to contain the pandemic, like closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. Consequently, market demand and supply chains have been affected, significantly increasing the risk of a global economic recession. The pandemic has impacted, and may further impact, all the stakeholders of the Society. Further, due to the uncertainty surrounding this risk and the unavailability of a certified vaccine or cure to-date, the world economic growth and its estimates has taken severe beating resulting in downgrade of India's economic growth also.

**Overview of Financial Performance**

The above mentioned disturbances, had also impacted Company's performance both on the business and revenue front, which reflected in Company's weaker revenue generation that is Investment Banking Income both in Equity and Debt segment and other being investment activities in Government Securities / Corporate Bonds.

The company's standalone income from operations during the Financial Year 2019-20 was increased to Rs.3511.85 lakhs as compared to Rs.3164.22 lakhs during previous Financial Year 2018-19, and also consolidated Income from operations increased to Rs.4288.35 lakhs as against Rs. 3634.15 lakhs in the previous year.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

**Share Capital**

During the year under review, the Company's Issued, Subscribed and Paid up Equity Share Capital remains unchanged at Rs.1229.69 lakhs as at March 31st, 2020.

**Dividend**

To strengthen Company's financial position, during this Covid-19 pandemic, the Board of Directors of the Company has decided not to recommend dividend for the Financial Year 2019-20.

**Subsidiary Companies**

During the Financial Year 2019-20, there were no changes in status of existing six wholly owned subsidiaries as compared to previous year.

**Performance and Financial Position of Subsidiaries**

As required under Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on the highlights of performance of subsidiaries, and their contribution to the overall performance of the Company is appended as "Annexure 7" to the Annual Report. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of financial statement of subsidiaries in Form AOC-1 is annexed to the Consolidated Financial Statement in the Annual Report.

**Consolidated Financial Statements**

Pursuant to Section 129(3) of the Companies Act, 2013, a consolidated financial statement of the Company along with its 6(six) Wholly owned Subsidiaries has been prepared in the same form and manner as that of the Company which shall be laid before the ensuing AGM along with the laying of the Company's Standalone Financial Statement under Section 129(2).

Further, pursuant to the provisions of Accounting Standard (AS-21), the Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Company along with its six Wholly owned subsidiaries for the year ended March 31, 2020 forms part of this Annual Report.

The Board of Directors of the Company has resolved not to publish and attach copies of the standalone Annual Audited Accounts of all its existing subsidiaries and instead to publish the Consolidated Accounts pursuant to Section 136(1) of the Act. Annual Audited Accounts of all its existing subsidiaries can also be obtained by members of the Company by making written request to the Company. The Accounts of these subsidiaries are also available for inspection to members of the Company at the Registered Office of the Company during the Company's business hours. The Company has attached the Consolidated Financial Statements in this Annual Report, which includes Accounts of all its six existing subsidiaries.

**Directors Responsibility Statement**

Your Directors state that:

i) In the preparation of the Annual Accounts for the year ended 31st March, 2020, the applicable Accounting Standards read with requirements set out under Schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;

ii) They have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the Profit of the Company for the year ended on that date;

iii) They have 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, 2020, have been prepared on a going concern basis;

v) They have laid down internal financial controls to be followed by the Company and the such internal financial controls are adequate and are operating effectively; and

vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**Management Discussion and Analysis**

The Management Discussion and Analysis Report for the year under review, is given as a separate statement in the Annual Report.

**Directors and Key Management Personnel**

**A.T. Krishnakumar – Independent Non-executive**

During the year end under review, Mr. A. T. Krishnakumar was appointed as Additional Director on the Board of the Company w.e.f. August 23rd, 2019 and he was later appointed by the shareholders of the Company in the last AGM of the Company held on 24th September, 2019, as Independent Non–executive Director for a period of 5 years, not to liable to retire by rotation.

**C.C. Dalal – Independent Non-executive**

Mr. C. C. Dalal, the long serving independent Director of the Company resigned on December 12th, 2019, on health ground. The Board place on record sincere appreciation and gratitude to Mr. C. C. Dalal, for his valuable guidance in the growth of PINC Group for more than three decades.

**A.B. Desai – Independent Non-executive**

Mr. A. B. Desai (Din: 01488287), was appointed as an Additional Director (Independent – Non-executive) by the Board of Directors of the Company w.e.f. December 12th, 2019 pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 (the 'Act'), holds office up to the date of this Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held.

Mr. Desai is a CA with nearly Four (4) decades of experience in the field of Investment Banking, Corporate Finance, Corporate Advisory, and Consultancy.

The Nomination & Remuneration Committee ('N&RC') had assessed the profile of Mr. Desai and having found him to be 'Fit and Proper', recommended his appointment to the Board of Directors. In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the Company, basis the recommendation of the N&RC, have reviewed the profile of Mr. Desai and the declarations that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that he fulfils the criteria of independence.

In the opinion of the Board, Mr. Desai meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being appointed as an Independent Director. Considering his vast expertise and knowledge in the field of Investment Banking, Corporate Finance, Corporate Advisory, and Consultancy, it would be in the interest of the Company that Mr. Desai is appointed as an Independent Director on the Board of the Company.

**K. C. Maniar – Independent Non-executive**

Mrs. K. C. Maniar, retires at the ensuing Annual General Meeting, and being eligible for reappointment, she offers herself for reappointment. Mrs. Maniar, an ex-banker with working experience of 32 years in the field of Corporate Finance, and Banking.

The Nomination & Remuneration Committee ('N&RC') has assessed the profile of Mrs. Maniar and having found her to be 'Fit and Proper', recommended her reappointment to the Board of Directors. In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the Company, basis the recommendation of the N&RC, have reviewed the profile of Mrs. Maniar and the declarations that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that she fulfils the criteria of independence.

In the opinion of the Board, Mrs. Maniar meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being reappointed as an Independent Director. Considering her vast expertise and knowledge in the field of Corporate Finance, and Banking, it would be in the interest of the Company that Mrs. Maniar is reappointed as an Independent Director on the Board of the Company.

**Annual Evaluation**

Your Company has laid down Policy in which criteria for performance evaluation of the Directors including Chairperson, Managing Director, Board Committees and Board as a whole in line with the provisions of the Companies Act, 2013, and SEBI's LODR Regulations. The Policy continued to assist the Company the manner in which formal annual evaluation should be made.

**Corporate Governance**

Corporate Governance practices are a reflection of Company's core value system encompassing of culture, policies, and relationships with our stakeholders. Integrity and transparency are keys to Company's corporate governance practices to ensure that Company gain and retain the trust of its stakeholders at all times. Corporate governance is about maximizing shareholder value legally, ethically and sustainably. As part of the Company's efforts towards better corporate practice and transparency, a separate report on Corporate Governance compliances is included in the Annual Report.

**Contracts and Arrangement with Related Parties**

The Company's major related party transactions are generally with its Wholly owned subsidiaries. All the contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. There were no materially significant transactions with related parties including promoters, directors, key managerial personnel, subsidiaries or relatives of the Directors during the financial year which could lead to a potential conflict with the interest between the company and these parties. The details of the transactions with related parties, if any, were placed before the Audit Committee from time to time. There were no material individual transactions with related parties, which were not in the ordinary course of business of the Company, nor were there any transactions with related parties, which were not on arm's length basis. Accordingly the disclosure in Form AOC-2 is not applicable to the Company for the year under review. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

Prior omnibus approval for normal day to day transactions is also obtained from the Audit Committee for the related party transactions which are repetitive in nature as well as for the business transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee for their approval.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at www.pinc.co.in. Your Directors draw attention of the members to Note no.33 to the financial statement which sets out related party transactions disclosures.

**Corporate Social Responsibility (CSR)**

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has established Corporate Social Responsibility ('CSR') Committee. During the financial year 2019-20, the Company has spent Rs.13 lakhs on CSR activities as approved by the Board of the Company. The disclosure in the Annual Report on CSR activities is annexed herewith marked as Annexure 2.

**Risk Management Policy**

Company's Risk Management Policy continued to guide the Board on risk assessment, management and contributes to controls, manage, measure and mitigate the risk faced by the company in the day to day operation. The Risk Management policy intends to cover serious concerns that could have risk impact on the operations and performance of the business of the Company as well as its Wholly Owned Subsidiaries.

**Internal Financial Controls**

Your Company has implemented adequate procedures and internal controls which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements. Further, the Board also ensures regularly that Internal Financial controls are functioning efficiently in the ordinary course of business.

**Employee Stock Option Scheme**

The Employee Stock Option Scheme is administered by the Nomination & Remuneration Committee of the Board. The disclosures required to be made in the Directors' Report in respect of Employees Option Schemes, in terms of the SEBI (Employee Stock Option Scheme) Guidelines, 1999, are mentioned in the Annexure 3, forming part of the Directors' Report.

Out of the 13,14,000 Stock Options granted to the Employees of the Company by the Nomination and Remuneration Committee third tranche of 25% of granted Stock options has been vested during the year end under review, as per the terms and conditions of the grant.

**Auditors and Auditors Report**

As members of the Company are aware that the Company in order to comply with the applicable provisions of the Companies Act, 2013 and the Rules made there under, relating to mandatory rotation of Statutory Auditors, the Company has obtained members approval in the AGM to appoint J. D. Jhaveri & Associates, Chartered Accountant (Firm Reg. no. 111850W) as the statutory auditors of the Company, to hold office for a period of five consecutive years commencing from the Financial Year 2017-18, on a remuneration that may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company. The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further explanation. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**Secretarial Auditor**

Pursuant to Section 204 of the Companies Act, 2013, your Company had appointed Mr. Aspi Bhesania, Practicing Company Secretary, (ICSI membership number: 6119 C.P. no.9657) as its Secretarial Auditors to conduct the secretarial audit of the Company for the financial year 2019-20. The Company provided all assistance and facilities to the Secretarial Auditors for conducting audit. The Report of Secretarial Auditor for the financial year 2019-20 is annexed to this report as Annexure 4. There are no observations, reservations or adverse remarks in the Secretarial Audit Report.

**DISCLOSURES:**

**Audit Committee**

The Audit Committee comprises of Independent Directors namely Mrs. K C. Maniar (Chairman), Mr. A. B. Desai, Mr. A. T. Krishna kumar and also Managing Director Mr. G. M. Gandhi. All the recommendations made by the Audit Committee were accepted by the Board during the Financial Year 2019-20.

**Vigil Mechanism**

In line with the provisions of Listing Regulations, the Companies Act, 2013 and the principles of good governance, your Company has devised and implemented a vigil mechanism, in the form of 'Whistle Blower Policy', for the directors and employees to report genuine concerns in such manner as, may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at www.pinc.co.in

**Meetings of the Board**

Six (6) meetings of the Board of Directors were held during the year. For further details, please refer separate report on Corporate Governance forming part of Annual Report.

**Declaration from Independent Directors**

The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as per sub-section (6) of Section 149 of the Companies Act, 2013 and also the criteria of independence as mentioned in Regulation 16(1)(b) and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**Particulars of Loans given, Investments made, Guarantees given and Securities provided**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the Notes to the Standalone Financial Statement.

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

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

The Company's foreign exchange earnings and expenditures during the year under review are Nil.

**Secretarial Standard**

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

**Extract of Annual Return**

Extract of Annual Return of the Company is annexed herewith as Annexure 5 to this Report.

**Familiarization Programs for Independent Directors**

Independent Directors of the Company are provided with required information and clarification to enable them to familiarise with the Company's procedures and practices. Details of programs that were undertaken for familiarizing the Independent Directors can be accessed on the Company's website at www.pinc.co.in.

**Investor Education and Protection Fund (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends which remains unclaimed or unpaid for seven years from the date of transfer to unpaid account, are required to be transferred by the Company to the IEPF established by the Central Government.

Further, according to the Rules, the shares in respect of which dividend have not been claimed or paid to the shareholders for seven consecutive years or more shall also be transferred to Demat Account created by the IEPF Authority.

a) **Dividend**

The Company has transferred the unclaimed Dividend of 2011-12, due to transfer to IEPF during the year end under review. Members wishing to claim dividends, which have remained unclaimed, are requested to correspond with Registrar and Share Transfer Agents (RTA) or Company Secretary at the Company's registered office.

b) **Shares**

Further, the corresponding shares will be transferred as per the requirements of IEPF rules, details of which will be provided on Company's website www.pinc.co.in.

**Particulars of Employees and related disclosures**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report. Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company at email id – investor.relations@pinc.co.in

The Board of Directors affirms that the remuneration paid to employees of the Company is as per the Nomination and Remuneration Policy of the Company.

**General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
5. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. No fraud has been reported by the Auditors to the Audit Committee or the Board.
8. There has been no change in the nature of business of the Company.

Your Directors further state that during the year under review, there was no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**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**
11th November, 2020.

**G. M. Gandhi**
Managing Director
(DIN - 00008057)

**A T Krishnakumar**
Director
(DIN - 00926304)

# MANAGEMENT DISCUSSION AND ANALYSIS

This Report is pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## INTRODUCTION

Your Company continued to strengthen its core business of Investment Banking both Debt and Equity, and Financial Advisory Services by way of providing gamut of customized services to its clients in the form of raising capital, debt, formulating capital structure, debt restructuring, project finance, and other corporate financial advisory services and further trying to establish its foothold in the area of secondary capital market like open offer in Takeovers, Preferential issue, Right issue, Buy-back, Mergers and Amalgamation, and valuation assignment.

## CORPORATE STRUCTURE

As reported last year, the structure of Company's Subsidiaries and nature of their activities remains unchanged during the year end under review, which is as follows:

1. Infinity.Com Financial Securities Ltd. – Trading cum Clearing Member of NSE, BSE & Depository Participant - CDSL, Trading member in currency Derivatives of MESL-SX;
2. Pioneer Wealth Management Services Ltd.; (Registered Portfolio Manager with SEBI)
3. Pioneer Fundinvest Pvt. Ltd. – a Non Banking Finance Company (Not accepting Public Deposit);
4. Pioneer Commodity Intermediaries Pvt. Ltd.;
5. Pioneer Money Management Ltd.; and
6. Pioneer Investment Advisory Services Ltd.

### Industry structure and development

The global economy grew at 2.4% in the FY 2019-20, slowing from 3% in Previous Year 2018-19 amid global trade war, tariff related uncertainties, and Brexit. Global trade environment remained challenging due to heightened trade tensions. The Indian economy grew by 4.2% in FY 2019-20 still remaining one of the fastest growing major economies in the world. Industrial activity remained healthy in the beginning of the year, but saw some weakness later. Auto sales suffered due to weak credit conditions, demand softness, and change in regulatory norms.

## OPPORTUNITIES AND THREATS

### Opportunities

Government emphasis on "Aatma Nirbhar Bharat Abhiyan" focussing on importance of manufacturing in India and reducing reliance on Import, not only provide opportunities to Domestic entrepreneurs and SMEs to grow in India but will also provide them strength to compete globally and strengthening India's trade deficit.

### Threats

Global Slow-down due to COVID-19 and border tension between India and its neighbouring countries and increase of tension in relationship between developed countries could impact the growth of developing countries like India.

## OUTLOOK

### Global Factors

Global growth outlook has changed since the outbreak of COVID-19. There has been coordinated global monetary policy easing and fiscal support from governments. These policy support measures would act as cushions offsetting weakness in growth to some extent. However, global economic activity is likely to contract in 2020 and global growth environment will remain challenging in the short term.

### Indian Economy

Indian economy will also suffer in near term of 2020 on account of COVID-19. However, thrust on policy initiatives continued by Government of India. FY 2019-20 saw consolidation of Public Sector Banks, which should strengthen the banking sector. Non-performing loans in the banking sector have come down to 9.3% from more than 10% before FY 2019-20. Resolution under the Insolvency and Bankruptcy Code (IBC) is bringing procedural predictability with higher recovery rates (43% in 2019 vs 14% in 2017). With continued policy initiatives, India further continued its climb in the Ease of Doing Business rankings, climbing up 14 places to reach the 63rd rank. India is the only major country to have moved up by 67 places in just 4 years. FY 2019-20 also saw corporate tax cut being announced, further easing business environment. Government also announced significant rebates for new manufacturing units to attract global supply chains. Outbreak of COVID-19 would make growth environment challenging in first half of FY 2020-21 but liquidity measures announced by the government should help provide support.

### Segment wise Performance

The year end under review was similar in comparison to the Company's previous year both for Company's Merchant banking, Advisory fees and also for Income from Investments activities in Government Securities/SLR and non-SLR bonds.

At a consolidated level also, groups sees mixture of both incline and decline in income segments, i.e. decline in Fee Income from Merchant Banking and Advisory fees, and incline in Income from trading in Shares and Securities.

### Company's Outlook for its business segments

The relief package announced by Government of India due to COVID-19 pandemic, coupled with strong economic reforms by Government on Aatma Nirbhar Bharat, expected to provide domestic players big growth momentum, and your company with its strong entrepreneur leadership, coupled with experienced professional human force will capitalize the best of improved markets and economic conditions.

### Consolidated Financials

( Rs. In lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Total Income | 4288.35 | 3634.15 |
| Profit After Tax | 311.15 | 22.04 |

### RISK AND CONCERN

At a macro level, the risk of geo political tension between India and its neighbouring countries, global trade war, presents risks, many of which are hard to quantify at this stage, which need careful and prompt responses from policymakers.

At the Micro level, economic slowdown due to COVID-19, high inflation due to high crude oil prices and lower credit intake may put pressure on Indian economy.

Further increase in competition amongst the financial market intermediaries is a concern and can thus impact the performance of the company.

### INTERNAL CONTROL SYSTEMS

The features of Company's internal control policy, is to add value and improve the Company's risk and control environment. The Policy assists the management through its assessments to monitor adequacy, effectiveness, and adherence to internal controls, processes and procedures instituted by the Management and the extant regulations.

### DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year end under review, both Financial as well as operational performance of the Company and the Group as a whole, has shown improvement as compared to previous year performance resulting in increase in income of operations and profit both at standalone and consolidated level.

## MATERIAL DEVELOPMENT AND HUMAN RESOURCES

During the year under review, there was no major senior management change both at Company and Group level and the Company's management team continued to take necessary steps to retain its human resources which resulted in lower attrition both at Company and Group level.

## CORPORATE GOVERNANCE REPORT

Your Company believes that sound governance system, based on relationship and trust, is integral to creating enduring value for all its stakeholders, management team and its customers. The Company's has defined policy framework for ethical conduct of businesses. The following disclosure is pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 1. Company's philosophy

The Company believes that the essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Board Committees, Finance and Compliance team, Auditors and the senior management. Company's employee satisfaction is reflected in the stability of senior management, and substantially higher productivity.

### 2. Board of Directors

#### a) Composition of Board

During the year under report, Mr. C. C. Dalal – Independent Non-executive Director resigned on health ground and Mr. A. T. Krishnakumar and Mr. A. B. Desai were appointed as Independent Non-executive Directors.

At present Mr. G. M. Gandhi, Managing Director represents the Promoters group and three Independent Non Executive Directors are namely Mr. A. B. Desai, Mrs. K. C. Maniar and Mr. A. T. Krishnakumar.

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

(i) Meetings and attendance record of each Director

During the year under report from 1st April, 2019 to 31st March, 2020, the Board of Directors held six meetings on 03.04.2019, 30.05.2019, 23.08.2019, 13.09.2019, 12.12.2019 and 14.02.2020.

Mr. C. C. Dalal – Independent Non-executive Director was present in four Board Meetings till his resignation dated December 12th, 2019. Mr. G. M. Gandhi – Managing Director was present in all the six Board Meetings. Mr. A. B. Desai was present in five Board Meetings. Mrs. K. C. Maniar was present in three Board Meetings, and Mr. A. T. Krishnakumar was present in one Board Meeting after his appointment on August 23rd, 2019.

Mr. G. M. Gandhi - Managing Director and all other three Independent Non-executive Director were present in the last Annual General Meeting of the Company.

(ii) Number of other Directorships or committees in which member/chairperson

Mr. C. C. Dalal was not a director in any other company and he was a member of four committees of the Company till his resignation dated December 12th, 2019. Mr. G. M. Gandhi is a director of 15 other companies, including holding non-executive independent Directorship in ASI Industries Ltd. a listed Company and he is also a member of seven Board Committees (including committees of the Company), Mrs. K.C. Maniar is a director of two other Companies both are listed that is Foods and Inns Ltd. and Muller and Phipps (India) Ltd. and she is a member of four Board Committees and out of which she is a chairperson of 2 Board Committees of the Company and Mr. A. B. Desai is a director of one other private Company and he is a member of four Board Committees of the Company and holding chairmanship of two Board Committees of the Company.

(iii) Inter-se Relationship between Directors

There is no inter-se relationship between Directors.

(iv) Number of Shares held by Non-executive Independent Directors

None of the Non-executive Independent Directors hold any shares of the Company.

(v) Familiarisation Programme

In compliance with the requirement of the Listing Regulations, Independent Directors of the Company are provided with required information and clarification to enable them to familiarise with the Company's procedures and practices. The details of Familiarisation programme covering overall industry & Company's business review, financial performance of the Company, statutory and regulatory changes appraised to Non-executive Independent Directors are uploaded on Company's website under Investor update in the Investor Column at www.pinc.co.in

(vi) Matrix setting out the Skills/expertise/competence of the Board of Directors

The Directors of the Company are having the required skills , expertise , competences in the field of Investment Banking, Compliance, Legal, Accounting, Finance, Consultancy, Human Resources, Business Compliance, and Expertise in various businesses like Broking & Distribution, Wealth Management, Private Equity, Institutional Equities,.

(vii) This is to confirm that in the opinion of the Board, all the independent Directors fulfil the conditions specified in the SEBI (LODR) Regulations 2015, as amended from time to time and are independent of the management.

(viii) During the year end under review, Mr. C. C. Dalal Independent Non-executive Director resigned before the expiry of tenure due to health ground.

## 3. Audit Committee

The Audit Committee comprises of Mr. C. C. Dalal, Chairman of the Committee – upto December 12th, 2019, Mr. A. B. Desai, Mr. A. T. Krishnakumar and Mrs. K.C. Maniar, non-executive Independent Directors and Mr. G. M. Gandhi, Managing Director of the Company. During the year under report the Audit Committee held four meetings and considered the quarterly, half yearly and audited standalone and consolidated accounts of the Company, approved related party transactions, and also re-appointment and fixed the remuneration of the Statutory Auditors of the Company. The Audit Committee also supervised the Internal Financial Control and procedures relating to Internal Control system. Mr. G. M. Gandhi, Managing Director was present in all four committee meetings. Mr. A. B. Desai, was present in the three meetings Mrs. K.C. Maniar and Mr. C.C. Dalal were present in two meeting and Mr. A. T. Krishnakumar was present in one meeting .

## 4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mr. A. B. Desai, Chairman of the Committee, Mr. A. T. Krishnakumar and Mrs. K. C. Maniar, all are non-executive Independent Directors of the Company. This Committee is constituted mainly to guide the Board in relation to appointment, re-appointment and removal of Directors, Key Managerial Personnel and Senior Management, to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board, to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel (KMP) and Senior Management. The Committee has adopted a policy in commensurate with size and requirements of the Company and meets as such frequent internals as may be required. During the year end under review, policy adopted by the Committee worked smoothly as per the requirement of the Company.

## 5. Remuneration of Directors

There are no pecuniary relationships or transactions between the non-executive Directors and the Company except for payment of sitting fees for the attendance of Board Meeting or Committee thereof. During the year under report, the Company has paid to the non-executive Directors sitting fee of Rs.10,000/- after deducting TDS for each meeting of the Board or a Committee thereof attended by them.

Further during the year end under review the Company has paid remuneration to Mr. G. M. Gandhi, Managing Director of the Company as per Special Resolution passed by the Shareholders of the Company.

## 6. Stakeholders' Grievance Committee

The Company's Stakeholder Grievance Committee comprise of Mr. K. C. Maniar, Mr. G. M. Gandhi, Mr. A. B. Desai and Mr. A. T. Krishnakumar and Mrs. K. C. Maniar, non –executive Director is the Chairperson of this Committee.

Mr. Amit Chandra, Company Secretary of the Company is appointed as Compliance Officer of the Company. During the year end under review the Company has resolved all the Investors complaints received and there were no pending complaints at the end of the year.

7. **General Body Meetings**

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

| Year | Day, Date and Time | Venue |
|---|---|---|
| 2016-2017 | Friday, 22nd September 2017 at 11.30 a.m. | Kilachand Conference Room,2nd floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai-400020 |
| 2017-2018 | Friday, 22nd September, 2018 at 11.30 a.m. | Same as above |
| 2018-2019 | Tuesday, 24th September, 2019 at 11.30 a.m. | Same as above |

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

| Year | Matter |
|---|---|
| 2016 - 2017 | Nil |
| 2017 - 2018 | Nil |
| 2018 - 2019 | To appoint Mr. Athreya Tyagarajan Krishnakumar (DIN: 00926304) as Independent Director. |

c) During the year under review, the Company on 16th May, 2019, through the process of Postal Ballot has obtained shareholders approval, on the following resolution passed by majority vote.

i) Special Resolution to authorise Board of Directors to borrow money pursuant to the provisions of Section 180(1)(C) and other applicable provisions, if any, of the Companies Act, 2013.

ii) Special Resolution to authorise Board of Directors to create security (ies)/mortgage property(ies) of the Company pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013.

iii) Special Resolution to authorise Board of Directors to make loan(s) and/or investment(s) and/or to provide guarantee(s) and/or security(ies) to the bodies corporate and/or any other person, situated within or outside the country, as the case may be, pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013.

iv) Special Resolution to authorise Board of Directors for issuance and allotment of Secured Non-Convertible Debentures ("NCD's") aggregating upto Rs.300 Crores, in such tranches and on such terms and conditions to be decided by the Board of Directors.

v) Special Resolution to Re-appoint Mr. Gaurang Gandhi (DIN: 00008057), as Managing Director for a period of 3 years and fixing his remuneration.

The person in charge of the above mentioned postal ballot exercise were Mr. Gaurang Gandhi, Managing Director (DIN: 00008057) and Mr. Amit Chandra, Company Secretary (ACS: 13742), of the Company.

d) As on date, the Company does not have any plans to pass Special Resolution through Postal Ballot.

8. **Means of communications**

The quarterly, half-yearly and yearly financial results along with Press Release of the said Results of the Company are sent to the Stock Exchange immediately after the Board approves the same. Further the Company publishes Press Release of the Results as per the statutory format in one National daily English newspaper and one regional language newspaper in the city in which the registered office of the Company is located and uploaded the Financial Results and Press Release on the Company's Website: www.pinc.co.in

9. **General Shareholders information**

a) The Annual General Meeting of the Company through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) will be held on Thursday, 17th December, 2020, at 2.30p.m.

b)

| Financial calendar | |
|---|---|
| Financial Reporting for Quarter I - (ending June 30, 2020) | Within 45 days from the end of quarter. |
| Financial Reporting for Quarter II - (ending September 30, 2020) | Within 45 days from the end of quarter. |
| Financial Reporting for Quarter III - (ending December 31, 2020) | Within 45 days from the end of quarter. |
| Financial Reporting for Quarter IV - (ending March 31, 2021) | Within 45 days from the end of quarter. |

c) The cut-off date for shareholders who will be eligible for evoting will be Thursday, 10th December 2020.

d) The Company's Shares are presently listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400023. The Company's Stock code on the BSE is 507864 and the ISIN number is INE746D01014 and the Company has paid listing fees for the Financial Year 2020-21 to BSE Limited, the only Exchange where shares of the Company are presently listed;

e) Share Prices of the Company – High and Low on BSE Limited, for the Financial Year April, 2019 to March, 2020, were as follows:

( In ₹ )

| Month | April 2019 | May 2019 | June 2019 | July 2019 | Aug. 2019 | Sept. 2019 | Oct. 2019 | Nov. 2019 | Dec. 2019 | Jan. 2020 | Feb. 2020 | March 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| High | 31.40 | 33.35 | 31.75 | 38.00 | 42.90 | 42.50 | 44.80 | 41.95 | 47.80 | 48.00 | 40.40 | 39.90 |
| Low | 25.65 | 24.05 | 21.25 | 21.70 | 32.30 | 35.00 | 31.00 | 34.95 | 31.00 | 35.40 | 33.05 | 19.75 |

f) The name, address and telephone and fax numbers of the Registrar and Share Transfer Agent of the Company are Satellite Corporate Services Private Limited, Office No. A-106/107, Dattani Plaza, East West Compound, Nr Safed pool, Andheri Kurla Road, Sakinaka, Mumbai-400072 E-mail: scs_pl@yahoo.co.in Alternate Email Id: service@satellitecorporate.com Tel no. 28520461 Fax no. 28520462.

g) The Stakeholder Grievance Committee comprises of Mrs. K.C. Maniar, Mr. A. T. Krishnakumar, Mr. G. M. Gandhi, and Mr. A. B. Desai. Mr. Amit Chandra, Company Secretary of the Company is appointed as Compliance Officer of the Company. During the year end under review the Company has resolved all the Investors complaints received and there were no pending complaints at the end of the year.

h) Detailed Shareholding pattern of the Company as on 31st March, 2020, is as under:

| Sr. No. | Category | No. of Shares held | Percentage of Shareholding |
|---|---|---|---|
| A | Promoter's holding | | |
| 1 | Promoters | 76,15,432 | 61.93 |
| | **Sub - Total ( A )** | **76,15,432** | **61.93** |
| B | Non - Promoters Holding | | |
| 1 | Banks and Foreign Institutional Portfolio Investors | 4,93,260 | 4.01 |
| 2 | Public including Body Corporate | 41,88,216 | 34.06 |
| | **Sub - Total ( B )** | **46,81,476** | **38.07** |
| | **Total (A) + (B)** | **1,22,96,908** | **100.00** |

i) The distribution of Shareholding of Equity Shares as on 31st March, 2020, is as under:

| Sr No. | No of Equity Shares | No.of Share-holders | Percentage of total number of Shareholders | No.of Shares | Amount in Share Capital | Percentage of Shareholding |
|---|---|---|---|---|---|---|
| 1 | upto 100 | 2261 | 53.33 | 149534 | 1495340 | 1.22 |
| 2 | 101 to 500 | 1341 | 31.63 | 356405 | 3564050 | 2.90 |
| 3 | 501 to 1000 | 286 | 6.75 | 229425 | 2294250 | 1.87 |
| 4 | 1,001 to 2,000 | 131 | 3.56 | 238791 | 2387910 | 1.94 |
| 5 | 2,001 to 3,000 | 62 | 1.46 | 156215 | 1562150 | 1.27 |
| 6 | 3,001 to 4,000 | 31 | 0.73 | 109974 | 1099740 | 0.89 |
| 7 | 4,001 to 5,000 | 16 | 0.38 | 75209 | 752090 | 0.61 |
| 8 | 5,001 to 10,000 | 37 | 0.87 | 287444 | 2874440 | 2.34 |
| 9 | 10,001 to 20,000 | 23 | 0.54 | 333640 | 3336400 | 2.71 |
| 10 | 20,001 to 50,000 | 15 | 0.35 | 435723 | 4357230 | 3.54 |
| 10 | 50,001 to Above | 17 | 0.40 | 9924548 | 99245480 | 80.71 |
| | **TOTAL** | **4240** | **100.00** | **12296908** | **122969080** | **100.00** |

j) As on 31st March, 2020, 90.44% of the Company's totals Paid up Equity Shares were held in demat form with NSDL and CDSL.

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

l) This is to confirm that as on date the Company does not have any outstanding Global Depository Receipts or American depository receipts or warrants or any convertible instruments except ESOPs as disclosed in this Annual Report.

m) This is to confirm that as on date the Company does not have any commodity price risk, foreign exchange risk and hedging activities.

n) This is to confirm that as on date the Company does not have any debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad, for which the Company has obtained any credit rating.

**10. Disclosures**

a) Materially Significant related party transactions

There were related party transactions with the related parties in the ordinary course of business as mentioned in Note no.33 of Financial Statements There were no material significant transactions with related parties, which are not in the normal course of business.

b) Penalties or strictures

No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority.

c) Vigil Mechanism and Whistle Blower Policy

The company has adopted Vigil Mechanism and whistle blower policy as per the statutory provisions. During the year, none of the Whistle Blowers have been denied access to the Audit Committee of the Board.

d) Compliance with Mandatory requirements

During the year end under review, the Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 to the extent applicable to the Company.

e) Policy for determining material subsidiaries

The Policy for determining material subsidiary is uploaded on Company's website at www.pinc.co.in, under code of conduct and recent updates in the Investor section.

f) Policy for dealing with Related Party Transactions

The Policy for dealing with Related Party transactions is uploaded on Company's website at www.pinc.co.in, under code of conduct and recent updates in the Investor section.

g) Disclosure on Commodity price Risks and commodity hedging activities

The Company does not deal in commodity transactions and commodity hedging activities.

h) This is to confirm that the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulations 32 (7A) during the year end under review.

i) Mr. Aspi Bhesania, Practising Company Secretary certified that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI or Ministry of Corporate Affairs or any such statutory authority.

j) Total fees paid to J. D. Jhaveri & Associates, Chartered Accountant (Firm Reg. no. 111850W), Statutory Auditors on consolidated basis is Rs.703,600/- including GST for the FY 2019-20 for all the services in the listed Company and two of its subsidiaries.

k) In terms of the amendments made to the Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

l) There were no complaints in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year end under review.

**11.** The Company has complied with all the provisions of Corporate Governance Report of sub para (2) to (10) under schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 to the extent applicable to the Company.

**12.** The Company has complied with all the discretionary requirements as specified in Part E of Schedule II mentioned under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 to the extent applicable to the Company.

13. The Company has complied with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 to the extent applicable to the Company.

14. **Managing Director Declaration regarding compliance of Code of conduct**

I hereby confirm that, all the Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the Financial Year ended 31st March, 2020.

**G. M. Gandhi**
Managing Director
(DIN - 00008057)

**Mumbai**
11th November, 2020.

15. **Certificate from Auditors**

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

**AUDITORS' CERTIFICATE**

**Auditors' Certificate on Compliance with the Conditions of**

**Corporate Governance under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.**

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, 2020 as stipulated in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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 SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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 J. D. Jhaveri & Associates
Firm Reg. No. 1118502W
Chartered Accountants
Jatin Jhaveri
Proprietor
M.No.:045072
UDIN:20045072AAAEV4004

Mumbai

30th July, 2020.

16. **Disclosure with respect to Demat Suspense Account / unclaimed suspense Account.**

    This is to confirm that Company does not have any shares that are in Demat Suspense Account or unclaimed suspense Account

## MD and CFO Certification

The MD and CFO has issued following compliance certificate pursuant to the provisions of Regulation 17 of SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015, regarding the Financial Statements for the year ended 31st March, 2020.

## MD and CFO Certification

To,

The Board of Directors

Pioneer Investcorp Limited

1. We have reviewed financial statements and the cash flow statement of Pioneer Investcorp Limited for the year ended 31st March, 2020 and to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:

   (i) that there are no significant changes in internal control over financial reporting during the year;

   (ii) that there are no significant changes in accounting policies during the year; and

   (iii) that there are no instances of significant fraud of which we have become aware.

**G. M. Gandhi**
Managing Director
(DIN - 00008057)

Mumbai
30th July, 2020.

**S. M. Kabra**
Chief Financial Officer

## ANNEXURE 1 TO THE DIRECTORS' REPORT

**Policy on Directors Appointment and Remuneration of Directors, Key Managerial Personnel and other employees**

**Introduction**

In accordance with Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee has formulated Remuneration Policy ("the policy").

The objective of the policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

**Criteria for Board Membership**

**Directors**

The Company shall take into account following points:

Director must have relevant experience in Finance/ Law/ Management/ Corporate Governance or the other disciplines related to company's business.

Director should possess the highest personal and professional ethics, integrity and values.

Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

**Independent Director**

Independent Director is a director who has no direct or indirect material relationship with the Company or any of its officers, other than as a director or shareholder of the Company.

Independent Director shall meet all criteria specified in Section 149(7) of the Companies Act, 2013 and regulations framed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

**Remuneration Policy**

**Directors**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Managing Director and Whole time Director and other Executive Directors from time to time. This will be then approved by the Board and shareholders, if required. Prior approval of shareholders will be obtained wherever applicable in case of remuneration/Commission to the non-executive directors, if any.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to Managing Director, Whole time Director, Senior Management Personnel. Salary to Managing Director, Executive Director if any will be paid within the range approved by the Shareholders. Annual increments effective will be decided from time to time, as recommended by the Nomination and Remuneration Committee, and to be approved by the Board. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals / Business Executives. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees within the Statutory limits prescribed under The Companies Act 2013, as amended from time to time.

**Key Managerial Personnel and Other Employees**

The remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

The Committee will take into accounts the views and suggestions of Mr. Gaurang Gandhi – Managing Director of the Company, who is in charge of day to day affairs of the Company to review the remuneration structure of KMP and other employees on a yearly basis, depending upon the factual situation prevailing at that time.

## ANNEXURE 2 TO THE DIRECTORS' REPORT

**Annual Report on Corporate Social Responsibility (“CSR”)**

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

**The Company's Corporate Social Responsibility Policy may be accessed on the Company's website at www.pinc.co.in**

The Company has covered all the activities that are statutory permissible under the provisions of Companies Act, 2013 and the Rules framed there under.

The CSR Committee comprises Mr. A. B. Desai (Chairman), Mrs. K. C. Maniar and Mr. G. M. Gandhi Managing Director, and Mr. A. T. Krishnakumar. The Company has spent during the year an amount of Rs.13,00,000/- (Rupees Thirteen lakhs only) that is above 2% of average net profit of the Company during last three financial years.

| | |
|---|---|
| CSR projects or activities identified | Sunrise Education Society |
| Sector in which the project is covered | Promotion of education in Rural Area |
| Project or Programs (1) Local Area or other<br>(2) Specify the state and district where projects or programs was undertaken | Taloja, Raigad (Maharashtra) |
| Amount outlay (budget) project or program-Wise | Rs.13,00,000/- |
| Amount spend on the projects or programs Subheads<br>(1) Direct expenditure on projects or programs.<br>(2) Over-heads | <br>Rs.13,00,000/-<br>— |
| Cumulative expenditure upto the reporting period | Rs.13,00,000/- |
| Amount spend Direct or through implementing Agency | Direct |

The CSR Committee confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

| | | |
|---|---|---|
| | **G. M. Gandhi** | **A. B. Desai** |
| Mumbai | Managing Director | Non-Executive Chairperson |
| 11th November 2020 | (DIN - 00008057) | (DIN - 01488287) |

## ANNEXURE 3 TO THE DIRECTORS' REPORT

**Employee Stock Option Schemes**

The Disclosures of existing ESOP Scheme, as on 31st March, 2020, in terms of Clause 12 of SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999, are as follows:-

| | Particulars | ESOP Scheme - 2007 (Revised). |
|---|---|---|
| a. | Total grant authorized by the Plan (No.) | 13,14,000 |
| b. | Pricing formula on date of grant | 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. |
| d. | Options granted during the year (No.) | Nil |
| e. | Weighted Average Price per option granted | ₹. 19.80 |
| f. | Options vested as of March 31, 2020 (No.) | 8,65,500 |
| g. | Options exercised during the year (No.) | Nil |
| h. | Money raised on exercise of options | Nil |
| I. | Options forfeited and lapsed during the year (No.) | Nil |
| j. | Total number of options in force at the end of the year (No.) | 11,54,000 |
| k. | Employee-wise details of options granted to | |
| I) | Senior Management | Sushant Kumar – 5,00,000 Options<br>Umesh Tulsyan – 1,75,000 Options<br>Satish Mathur – 1,00,000 Options |
| 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. | Sushant Kumar – 5,00,000 Options<br>Umesh Tulsyan – 1,75,000 Options<br>Satish Mathur – 1,00,000 Options |
| 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. | Sushant Kumar - 5,00,000 Options<br>Umesh Tulsyan - 1,75,000 Options |
| 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). | |
| | i) Before Exceptional Items | ₹. 1.77/- |
| | ii) After Exceptional Items | ₹. 1.72/- |

| Particulars | ESOP Scheme - 2007 (Revised). |
|---|---|
| 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. | Decrease in profit by ₹. 10,74,516/-<br>Decrease in Basic/Diluted EPS - ₹.0.09/-<br>Decrease in Basic/Diluted EPS - ₹.0.08/- |
| n. Weighted - average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. | Exercise Price - ₹. 19.80/-<br>Fair Value – ₹. 7.69/- |
| 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 | 6.66 % |
| (b) Expected life | 7 - 10 Years |
| (c) Expected volatility | 6.85 % |
| (d) Expected dividends | 0.51 % |
| (e) Price of the underlying share in the market at the time of option grant | ₹. 19.80/- |

## ANNEXURE 4 TO THE DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members

Pioneer Investcorp Limited

Maker Chamber V, Nariman Point, Mumbai – 400 021

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pioneer Investcorp Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and

The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period); and

(i) The Securities and Exchange Board of India (Merchant Banking ) Regulations, 1992

(j) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).

(ii) Equity Listing Agreement entered with BSE Ltd. and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) The Securities and Exchange Board of India (Merchant Banking ) Regulations, 1992;

(b) The Securities and Exchange Board of India (Underwriting ) Regulations, 1993.

(c) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Aspi Bhesania
Practicing Company Secretary
ACS No. 6119, C P No: 9657
UDIN : A006119B000496961

Place: Mumbai
Date: 24.7.2020

## ANNEXURE 5 TO THE DIRECTORS' REPORT

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**As on the financial year ended on 31/03/2018**
**[Pursuant to Section 92(3) of the Companies Act, 2013**
**And Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]**

### I. REGISTRATION AND OTHER DETAILS

| | | |
|---|---|---|
| I) | CIN | L65990MH1984PLC031909 |
| II) | Registration Date | 23.01.1984 |
| III) | Name of the Company | Pioneer Investcorp Limited |
| IV) | Category / Sub Category of the Company | Public / Limited by Shares |
| V) | Address of the Registered Office and Contact Details | 1218, Maker Chambers V, Nariman Point Mumbai - 400021 Maharashtra, India. Tel: +91-22-66186633<br>Fax no.: +91-22-22049195 |
| VI) | Whether listed Company | Yes |
| VII) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Satellite Corporate Services Private Limited<br>Office No. A-106/107, Dattani Plaza, East West Compound, Nr Safed pool, Andheri Kurla Road, Sakinaka Mumbai-400072<br>E-mail: service@satellitecorporate.com<br>scs_pl@yahoo.co.in<br>Tel No. +91-22-28520461/62 |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| SN | Name and Description of main products / services | NIC Code of the Product/service | % to total income of the company |
|---|---|---|---|
| 1 | Investment Banking & Advisory Services | 6719 | 15.15 |
| 2 | Income from Trading in Government Securities | 6599 | 84.85 |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES
[No. of Companies for which information is being filled]]

| S. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY / ASSOCIATE | % of Shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Infinity.com Financial Securities Limited<br>1216, Maker Chambers V, Nariman Point, Mumbai – 400 021. | U67120MH1994PLC078100 | Subsidiary | 100 | 2(87)(ii) |
| 2 | Pioneer Commodity Intermediaries Private Limited<br>1219, Maker Chambers V, Nariman Point, Mumbai – 400 021. | U51909MH2003PTC142071 | Subsidiary | 100 | 2(87)(ii) |
| 3 | Pioneer Fundinvest Private Limited<br>1218, Maker Chambers V, Nariman Point, Mumbai – 400 021. | U65990MH1981PTC025972 | Subsidiary | 100 | 2(87)(ii) |

| S. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY / ASSOCIATE | % of Shares held | Applicable Section |
|---|---|---|---|---|---|
| 4 | Pioneer Wealth Management Services Limited 1218, Maker Chambers V, Nariman Point, Mumbai – 400 021. | U67120MH2006PLC161354 | Subsidiary | 100 | 2(87)(ii) |
| 5 | Pioneer Money Management Limited 1218, Maker Chambers V, Nariman Point, Mumbai – 400 021. | U67190MH2006PLC161353 | Subsidiary | 100 | 2(87)(ii) |
| 6 | Pioneer Investment Advisory Services Limited 1218, Maker Chambers V, Nariman Point, Mumbai – 400 021. | U74140MH2006PLC161672 | Subsidiary | 100 | 2(87)(ii) |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2019] | | | | No. of Shares held at the end of the year [As on 31-March-2020] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoter s** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual / HUF | 7482461 | 0 | 7482461 | 60.85 | 7615432 | 0 | 7615432 | 61.93 | 1.08 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| d) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| **Sub-total (A)(1)** | 7482461 | 0 | 7482461 | 60.85 | 7615432 | 0 | 7615432 | 61.93 | 1.08 |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| b)Other – Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| c) Bodies Corp | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| e) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| **Sub-total(A)(2)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| **Total shareholding of Promoter (A)=(A)(1)+(A)(2)** | 7482461 | 0 | 7482461 | 60.85 | 7615432 | 0 | 7615432 | 61.93 | 1.08 |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2019] | | | | No. of Shares held at the end of the year [As on 31-March-2020] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| ESOP | 56530 | 0 | 56530 | 0.46 | 54030 | 0 | 54030 | 0.44 | -0.02 |
| IEPF | 135722 | 0 | 135722 | 1.10 | 214829 | 0 | 214829 | 1.75 | 0.64 |
| **Sub-total (B)(2)** | 1654705 | 2666482 | 4321187 | 35.14 | 3038625 | 1149591 | 4188216 | 34.06 | -1.08 |
| Total Public Shareholding(B) =(B)(1)+(B)(2) | 9604226 | 2692682 | 12296908 | 100.00 | 11121117 | 1175791 | 12296908 | 100.00 | 0.00 |
| **C. Shares held by Custodian for GDRs & ADRs** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| **Grand Total (A+B+C)** | 9604226 | 2692682 | 12296908 | 100 | 11121117 | 1175791 | 12296908 | 100 | 0.00 |

(ii) Shareholding of Promoters-

| SN | Shareholder's Name | Shareholding at the beginning of the year [As on 31-March-2019] | | | Share holding at the end of the year [As on 31-March-2020] | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
| 1 | Gaurang Manhar Gandhi | 7376428 | 59.99 | 36.59 | 7509399 | 61.07 | 53.67 | 1.08 |
| 2 | Hemang Manhar Gandhi | 36683 | 0.30 | 0 | 36683 | 0.30 | 0 | 0.00 |
| 3 | Ketan Manhar Gandhi | 68850 | 0.56 | 0 | 68850 | 0.56 | 0 | 0.00 |
| 4 | Ami Ketan Gandhi | 500 | 0.00 | 0 | 500 | 0.00 | 0 | 0.00 |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| SN | Shareholder's Name | Shareholding at the Beginning of the Year (01 April 2019) / End of Year (31 March2020) | | Date | Increase /(Decrease) in Shareholding | Reason | Culmulative Shareholding during the Year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | | | | No. of Shares | % of total Shares of the company |
| 1 | Gaurang Gandhi | 7376428 | 55.64 | 01.04.2019 | | | 7376428 | 59.99 |
| | | | | 27.12.2019 | 5000 | Acquired Shares from Secondary Market | 7381428 | 59.75 |
| | | | | 31.12.2019 | 11000 | | 7392428 | 60.12 |
| | | | | 10.01.2020 | 27161 | | 7419589 | 60.34 |
| | | | | 13.03.2020 | 54294 | | 7473883 | 60.78 |
| | | | | 20.03.2020 | 22350 | | 7496233 | 60.96 |
| | | | | 27.03.2020 | 11337 | | 7507570 | 61.05 |
| | | | | 31.03.2020 | 1829 | | 7509399 | 61.07 |
| | | 7509399 | 61.07 | 31.03.2020 | | | 7509399 | 61.07 |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2019] | | | | No. of Shares held at the end of the year [As on 31-March-2020] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| b) Banks / FI | 500 | 26200 | 26700 | 0.22 | 500 | 26200 | 26700 | 0.22 | 0.00 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| g) FIIs / FPIs | 466560 | 0 | 466560 | 3.79 | 466560 | 0 | 466560 | 3.79 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| i) Others(specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| **Sub-total (B)(1)** | 467060 | 26200 | 493260 | 4.01 | 467060 | 26200 | 493260 | 4.01 | 0.00 |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| i) Indian | 517197 | 976600 | 1493797 | 12.15 | 480412 | 951300 | 1431712 | 11.64 | -0.51 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 8700 | 1682982 | 1691682 | 13.76 | 1161796 | 191991 | 1353787 | 11.01 | -2.75 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 823358 | 0 | 823358 | 6.70 | 844206 | 0 | 844206 | 6.87 | 0.17 |
| c) Others(specify) | | | | | | | | | |
| Non Resident Indians | 41444 | 6900 | 48344 | 0.39 | 39407 | 6300 | 45707 | 0.37 | -0.02 |
| Directors & Relatives | 10000 | 0 | 10000 | 0.08 | 10000 | 0 | 10000 | 0.08 | 0.00 |
| Hindu Undivided Families | 55371 | 0 | 55371 | 0.45 | 218199 | 0 | 218199 | 1.77 | 1.32 |
| Clearing Member | 6383 | 0 | 6383 | 0.05 | 15746 | 0 | 15746 | 0.13 | 0.08 |

| SN | Shareholder's Name | Shareholding at the Beginning of the Year (01 April 2019) / End of Year (31 March2020) | | Date | Increase /(Decrease) in Shareholding | Reason | Culmulative Shareholding during the Year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | | | | No. of Shares | % of total Shares of the company |
| 2 | Ketan Gandhi | 68850 | 0.56 | 01.04.2019 | | No Change | 68850 | 0.56 |
| | | 68850 | 0.56 | 31.03.2020 | | | 68850 | 0.56 |
| 3 | Hemang Gandhi | 36683 | 0.30 | 01.04.2019 | | No Change | 36683 | 0.30 |
| | | 36683 | 0.30 | 31.03.2020 | | | 36683 | 0.30 |
| 4 | Ami Gandhi | 500 | 0.00 | 01.04.2019 | | No Change | 500 | 0.00 |
| | | 500 | 0.00 | 31.03.2020 | | | 500 | 0.00 |

(iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | Shareholder's Name | Shareholding at the Beginning of the Year (01 April 2019) / End of Year (31 March2020) | | Date | (+)Increase / (-)Decrease in Shareholding | Reason | Culmulative Shareholding during the Year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | | | | No. of Shares | % of total Shares of the company |
| 1 | Silver Stallion Limited | 466560 | 3.79 | 01.04.2019 | | No Change | 466560 | 3.79 |
| | | 466560 | 3.79 | 31.03.2020 | | | 466560 | 3.79 |
| 2 | Devangan Consultancy Pvt Ltd | 200000 | 1.63 | 01.04.2019 | | No Change | 200000 | 1.63 |
| | | 200000 | 1.63 | 31.03.2020 | | | 200000 | 1.63 |
| 3 | Anuradha Multitrade Pvt. Ltd | 200000 | 1.63 | 01.04.2019 | | No Change | 200000 | 1.63 |
| | | 200000 | 1.63 | 31.03.2020 | | | 200000 | 1.63 |
| 4 | Akshar Computech Pvt Ltd | 200000 | 1.63 | 01.04.2019 | | No Change | 200000 | 1.63 |
| | | 200000 | 1.63 | 31.03.2020 | | | 200000 | 1.63 |
| 5 | Agantuk Properties Pvt Ltd | 200000 | 1.63 | 01.04.2019 | | No Change | 200000 | 1.63 |
| | | 200000 | 1.63 | 31.03.2020 | | | 200000 | 1.63 |
| 6 | Mahendra Girdharilal | 156027 | 1.27 | 01.04.2019 | | | 156027 | 1.27 |
| | | | | 22.11.2019 | (4445) | Sold the Shares in Secondary Market | 151582 | 1.23 |
| | | 151582 | 1.23 | 31.03.2020 | | | 151852 | 1.23 |
| 7 | Kamlesh N Shah | 0 | 0.00 | 01.04.2019 | | | 0 | 0.00 |
| | | | | 21.02.2020 | 95000 | Acquired Shares from Secondary market | 95000 | 0.77 |
| | | | | 28.02.2020 | 41750 | | 136750 | 1.11 |
| | | 136750 | 1.11 | 31.03.2020 | | | 136750 | 1.11 |

| SN | Shareholder's Name | Shareholding at the Beginning of the Year (01 April 2019) / End of Year (31 March2020) | | Date | (+)Increase / (-)Decrease in Shareholding | Reason | Culmulative Shareholding during the Year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | | | | No. of Shares | % of total Shares of the company |
| 8 | Investor Education and Protection | 135722 | 1.10 | 01.04.2019 | | | 135722 | 1.10 |
| | | | | 22.11.2019 | 72297 | | 208019 | 1.69 |
| | | | | 13.12.2019 | 6810 | | 214829 | 1.75 |
| | | | | 31.03.2020 | | | 214829 | 1.75 |
| 9 | Sadabahar Properties Pvt Ltd | 125000 | 1.02 | 01.04.2018 | | No Change | 125000 | 1.02 |
| | | 125000 | 1.02 | 31.03.2019 | | | 125000 | 1.02 |
| | | 156027 | 1.27 | 31.03.2019 | | | 156027 | 1.27 |
| 10 | A Plus Arts Pvt Ltd | 100000 | 0.81 | 01.04.2018 | | No Change | 100000 | 0.81 |
| | | 100000 | 0.81 | 31.03.2019 | | | 100000 | 0.81 |

(v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholder's Name | Shareholding at the Beginning of the Year (01 April 2019) / End of Year (31 March2020) | | Date | (+)Increase / (-)Decrease in Shareholding | Reason | Culmulative Shareholding during the Year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | | | | No. of Shares | % of total Shares of the company |
| 1 | Gaurang Gandhi – Managing Director | 7376428 | 59.99 | 01.04.2019 | | | 7376428 | 59.99 |
| | | | | 27.12.2019 | 5000 | Acquired Shares from Secondary Market | 7381428 | 59.75 |
| | | | | 31.12.2019 | 11000 | | 7392428 | 60.12 |
| | | | | 10.01.2020 | 27161 | | 7419589 | 60.34 |
| | | | | 13.03.2020 | 54294 | | 7473883 | 60.78 |
| | | | | 20.03.2020 | 22350 | | 7496233 | 60.96 |
| | | | | 27.03.2020 | 11337 | | 7507570 | 61.05 |
| | | | | 31.03.2020 | 1829 | | 7509399 | 61.07 |
| | | 7509399 | 61.07 | 31.03.2020 | | | 7509399 | 61.07 |
| 2 | Anand Desai – Independent Non executive Director | 0 | 0 | 01.04.2019 | | No Change | 0 | 0 |
| | | 0 | 0 | 31.03.2020 | | | 0 | 0 |
| 3 | Kamlini Maniar – Independent Non executive Director | 0 | 0 | 01.04.2019 | | No Change | 0 | 0 |
| | | 0 | 0 | 31.03.2020 | | | 0 | 0 |
| 4 | Athreya T. Krishnakumar – Independent Non executive Director | 0 | 0 | 01.04.2019 | | No Change | 0 | 0 |
| | | 0 | 0 | 31.03.2020 | | | 0 | 0 |
| 5 | Sanjay Kabra – KMP | 2045 | 0.02 | 01.04.2018 | | No Change | 2045 | 0.02 |
| | | 2045 | 0.02 | 31.03.2019 | | | 2045 | 0.02 |
| 6 | Amit Chandra – KMP | 12000 | 0.10 | 01.04.2018 | | No Change | 12000 | 0.10 |
| | | 12000 | 0.10 | 31.03.2019 | | | 12000 | 0.10 |

## V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31st March, 2020.

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 718922429 | 0 | 20000000 | 738922429 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 718922429 | 0 | 20000000 | 738922429 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 0 | 0 | 0 | 0 |
| * Reduction | 324715468 | 0 | 0 | 324715468 |
| Net Change | 324715468 | 0 | 0 | 324715468 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 394206961 | 0 | 20000000 | 414206961 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 394206961 | 0 | 20000000 | 414206961 |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SN | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|---|---|---|---|
| | | Mr. Gaurang Gandhi – Managing Director | |
| 1 | Gross salary | 15350000* | 15350000* |
| | a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 | 0 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act,1961 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 |
| 2 | Stock Option | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 |
| 4 | Commission<br>- as % of profit<br>- others, specify… | 0 | 0 |
| 5 | Others, please specify | 0 | 0 |
| | Total (A) | 15350000* | 15350000* |
| | Ceiling as per the Act | *Refer Note | |

* Remuneration paid within the limits specified in the Special Resolution passed by the Shareholders of the Company through Postal Ballot on 16th May, 2019.

B. Remuneration to other Directors

| SN | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | Mr. C. C. Dalal (upto 12th Dec, 2019) | Mr. A.B. Desai | Mrs. K. C. Maniar | A.T. Krishnakumar | |
| 1 | Independent Directors (Non-executive) | | | | | |
| | Fee for attending board committee meetings | 80000 | 110000 | 60000 | 30000 | 280000 |
| | Commission | 0 | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (1) | 80000 | 110000 | 60000 | 30000 | 280000 |
| 2 | Other Non-Executive Directors | | | | | |
| | Fee for attending board committee meetings | 0 | 0 | 0 | 0 | 0 |
| | Commission | 0 | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (2) | 0 | 0 | 0 | 0 | 0 |
| | Total (B)=(1+2) | 80000 | 110000 | 60000 | 30000 | 280000 |
| | Total Managerial Remuneration | | | | | 15630000* |
| | Overall Ceiling as per the Act | *Refer Note | | | | |

*Out of which Remuneration of Rs.1,53,50,000 paid to Mr. Gaurang Gandhi, Managing Director within the limits specified in the Special Resolution passed by the Shareholders of the Company through Postal Ballot on 16th May, 2019.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | CEO | CS Mr. Amit Chandra | CFO Mr. Sanjay Kabra | Total Amount |
| 1 | Gross salary | 0 | 2865341 | 6164000 | 9029341 |
| | a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 | 0 | 0 | 0 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act,1961 | 0 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 | 0 |
| 4 | Commission<br>- as % of profit<br>- others, specify... | 0 | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 | 0 |
| | Total (A) | 0 | 2865341 | 6164000 | 9029341 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: None

## ANNEXURE 6 TO THE DIRECTORS' REPORT

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 is 14.21 (Previous year 13.50 );

ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20 are uneven and are not comparable as compared to previous Financial year because of non recurring income / expenditure during the year end under review ;

iii) The percentage increase in median remuneration of employees as compared to the previous year is not comparable because of non recurring income / expenditure;

v) 46 number of permanent employees on the rolls of Company as on March 31, 2020;

vi) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration are uneven and are not comparable as compared to previous Financial year because of non recurring income / expenditure;

vii) The increase in remuneration of managerial personnel in comparison to previous year is not comparable as compared to previous financial year because of non recurring income / expenditure; and

Viii) It is affirmed that the remuneration paid to the Managing Director, Key Managerial Personnel (KMP) and other employees is as per remuneration policy of the Company.

## ANNEXURE 7 TO THE DIRECTORS' REPORT

**The financial performance of each of the subsidiaries included in the Consolidated financial statement are detailed below:-**

| Sr. No. | Name of Subsidiary Company | Turnover / Total Income | | Profit/(Loss) Before Taxation | | Profit/(Loss) After Taxation | |
|---|---|---|---|---|---|---|---|
| | | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period |
| 1 | Infinity.Com Financial Securities Limited | 63,622,877 | 45,889,403 | 15,969,344 | (2,210,574) | 9,495,747 | (1,880,416) |
| 2 | Pioneer Commodity Intermediaries Private Limited | 90,776 | 76,808 | 64,766 | 44,633 | 47,766 | 32,488 |
| 3 | Pioneer Money Management Limited | 91,636 | 68,201 | (194,098) | 10,592 | (195,851) | 230,245 |
| 4 | Pioneer Investment Advisory Services Limited | 78,436 | 72,200 | (379) | (5,511) | (298) | (25,511) |
| 5 | Pioneer Wealth Management Services Limited | 264,066 | 1,320,279 | 1,312,548 | 346,330 | (1,316,878) | 428,879 |
| 6 | Pioneer Fundinvest Private Limited | 19,459,785 | 3,497,468 | 1,017,806 | (230,006) | 1,019,159 | (266,495) |

# FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

**To**

**The Members of Pioneer Investcorp Ltd.,**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the Standalone Financial Statements of M/s. Pioneer Investcorp Ltd ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year then ended, and notes to the Financial Statements, including a Summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its Profit, changes in Equity and its Cash Flows for the year ended on that date.

**Basis for Opinion**

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our Audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr No. | Key Audit Matter | Auditor's response |
|---|---|---|
| 1. | **Transition to Indian Accounting Standards ("Ind AS")**<br><br>The Company has adopted Ind AS notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2019 and the effective date of such transition is April 01, 2018.<br><br>Ind AS is new and complex accounting standards which require considerable judgment and interpretation in its implementation. Further, Ind AS 101 ("First-time Adoption of Indian Accounting Standards") allows two categories of exceptions to the first-time adopters which mainly include prohibition to retrospective application of certain | **Principal Audit Procedures**<br><br>We have performed the following audit procedures in order to obtain sufficient audit evidence:<br><br>• Assessed the Company's process to identify the impact of adoption and transition to the new accounting standards;<br><br>• Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of Standalone Financial Statements;<br><br>• Reviewed the exemptions availed by the Company from certain requirements under Ind AS; |

| Sr. No. | Key Audit Matter | Auditor's response |
|---|---|---|
| | requirements of Ind AS and exemption from some requirements of Ind AS. We consider this transition and the required disclosure to be a key audit matter because new accounting policies have been developed by the Company to comply with these standards and judgment. Note 1 "Significant Accounting Policies", Note on "Fair value hierarchy", "Market risk", "Liquidity Risk" and" Reconciliation of Balance Sheet, Total Other Comprehensive Income, Equity and Cash flows as per previous GAAP to Ind AS, to the standalone Financial Statements provide detailed information on the significant policies, critical judgment and estimation along with details of exemptions applied from certain requirements under Ind AS based on which this Standalone Financial Statements is prepared. | **Principal Audit Procedures**<br><br>• Obtained an understanding of the governance over the determination of key judgments;<br><br>• Evaluated and tested the key assumptions and judgments adopted by management;<br><br>• Assessed the disclosures made against the relevant Ind AS; and<br><br>• Determined the appropriateness of the methodologies and models used along with the responsibility of the outputs. |
| 2. | **Measurement of Investments in accordance with Ind AS 109 "Financial Instruments"**<br><br>On initial recognition, Investments are recognized at fair value, in case of Investments which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the investments.<br><br>The Company's investments are subsequently classified into following categories based the objective of its business model to manage the cash flows and options available in the standard:<br><br>• Debt instruments at amortised cost<br><br>• Debt instruments and equity instruments at fair value through profit or loss (FVTPL)<br><br>• Equity instruments measured at fair value through other comprehensive income FVTOCI.<br><br>The Company has assessed following two business model:<br><br>- Held to collect contractual cash flows<br><br>- Realising cash flows through the sale of investments. The Company makes decisions based on the assets' fair values and manages the assets to realise those fair values.<br><br>Since valuation of investments at fair value involves critical assumptions, significant risk in valuation and complexity in assessment of business model, the | **Principal Audit Procedures**<br><br>• Obtained an understanding of Company's business model assessed in accordance with Ind AS 109.<br><br>• Evaluated the Company's assessment of business model.<br><br>• Obtained an understanding of the determination of the measurement of the investments and tested the reasonableness of the significant judgments applied by the management.<br><br>• Evaluated the design of internal controls relating to the measurement and also tested the operating effectiveness of the aforesaid controls.<br><br>• Obtained valuation certificate of independent valuer in respect of fair value investments<br><br>• Ensured that the Company has used valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.<br><br>• Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework. |

| Sr. No. | Key Audit Matter | Auditor's response |
|---|---|---|
| | valuation of investments as per Ind AS 109 is determined to be a key audit matter in our audit of the financial statements. | |
| 3. | **Loans and impairment loss allowance**<br><br>The value of loans as at March 31, 2020 is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions and write-offs against these loans. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three stage impairment model ("ECL Model") including the selection and input of forward- looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modeled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions. | **Principal Audit Procedures**<br><br>We have started our audit procedures with understanding of the internal control environment related to impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.<br><br>We also assessed whether the impairment methodology used by the Company is in line with Ind AS 109 "Financial instruments" requirements. Particularly, we assessed the approach of the Company regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.<br><br>For loans which are assessed for impairment on a portfolio basis we performed particularly the following procedures:<br><br>• We read and understood the methodology and policy laid down for loans given by the Company.<br><br>• We have verified the existence of recovery process plan in the event of default.<br><br>• We have verified the historical trends of repayment of principal amount of loan and repayment of interest;<br><br>• We tested the reliability of key data inputs and related management controls;<br><br>• We checked the stage classification as at the balance sheet date as per definition of default of the Company;<br><br>• We have assessed the assumptions made by the Company in making provision considering forward looking information. |

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our Audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the Audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an Audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the Audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform Audit procedures responsive to those risks, and obtain Audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the Audit and significant Audit findings, including any significant deficiencies in internal control that we identify during our Audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

2. As required by Section 143(3) of the Act, we report, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper Books of Account as required by law have been kept by the Company in so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.

   e. On the basis of the written representations received from the Directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 from being appointed as a Director in terms of Section 164(2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. Refer note 28 to the Standalone Ind AS Financial Statements.

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For J.D. Jhaveri & Associates
Chartered Accountants
Firm Reg. No.: 111850W

Jatin Jhaveri
Proprietor
M.No.: 045072
UDIN: 20045072AAAEO4573
Mumbai, 30th July, 2020

## ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the Standalone IND-AS financial statements for the year ended 31st March, 2020, we report that:

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) A substantial portion of these fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information & explanation given to us and based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) As explained to us, the inventories have been physically verified during the year by the management. The intervals at which the inventories are physically verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) As informed to us & on the basis of our examination of the books of accounts & other relevant records, The Company has granted loans to five bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company

(b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

(iv) In our opinion & according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given, investments made, guarantees and security given by the Company.

(v) In our opinion & according to the information & explanation given to us, the Company has not accepted any deposits from the public during the year. Therefore paragraph 3(v) of the Order is not applicable.

(vi) According to the information & explanation provided to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

(vii) (a) According to the information & explanations provided to us & on the basis of our examination of the books of accounts & other relevant records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. As explained to us, there were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2020 for a period of more than 6 months from the date they became payable.

(b) According to the information and explanations given to us, details of disputed statutory dues which have not been deposited or partially deposited are as follows:

| Name of the Statute | Nature of Dues | Amount disputed (₹) | Period to which the amount relates (F.Y.) | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 76,55,100 | 2010-11 | CIT(A) |
| Income Tax Act, 1961 | Income Tax | 117,02,092 | 2011-12 | CIT(A) |
| Income Tax Act, 1961 | Income Tax | 216,789 | 2012-13 | CIT(A) |

(viii) In our opinion and according to the information & explanation given to us and based on our examination of the records of the Company, the company has not defaulted in repayment of loans or borrowings to banks or financial institutions.

(ix) The Company has not raised any money by way of initial public offer or further public offer including debt instruments during the year. The Company has availed of term loans during the year and the same has been applied for the purpose it has been taken;

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information & explanations given to us, the Company is not a Nidhi Company and therefore the compliance requirements relevant to a Nidhi Company are not applicable.

(xiii) In our opinion and according to the information & explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) In our opinion and according to the information & explanation given to us and based on our examination of the records of the Company, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made by the Company during the year under review.

(xv) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him/her as specified under the provisions of section 192 of the Companies Act, 2013,

(xvi) The Company is not required to be registered under section 45-1(A) of the Reserve Bank of India Act, 1934 and therefore the provisions of paragraph 3(xvi) of the Order is not applicable.

For J.D. Jhaveri & Associates
Chartered Accountants
Firm Reg. No.: 111850W

Jatin Jhaveri
Proprietor
M.No.: 045072
UDIN: 20045072AAAEO4573
Mumbai, 30th July, 2020

## Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 2 (f) on Report on Other Legal and Regulatory Requirements of our report.

### Opinion

We have audited the internal financial controls over financial reporting with reference to the standalone financial statements of Pioneer Investcorp Ltd ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For J.D. Jhaveri & Associates
Chartered Accountants
Firm Reg. No.: 111850W

Jatin Jhaveri
Proprietor
M.No.: 045072
UDIN: 20045072AAAEO4573
Mumbai, 30th July, 2020

## BALANCE SHEET AS AT 31ST MARCH, 2020.

| | | Note No. | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Financial Assets** | | | | | |
| Cash & Cash Equivalents | | 3 | 27,353,412 | 127,083,189 | 53,684,305 |
| Bank Balance other than above | | | | | |
| Receivables | | 4 | 898,040,703 | 650,902,292 | 476,547,534 |
| Loans | | 5 | 41,330,790 | 680,132 | 18,561,047 |
| Investments | | 6 | 579,042,798 | 609,906,538 | 606,353,296 |
| Inventories | | 7 | 12,335,658 | 492,227,376 | 306,208,361 |
| Other Financial Assets | | 8 | 47,811,823 | 21,847,529 | 17,518,475 |
| **Total Financial Assets** | **"A"** | | 1,605,915,184 | 1,902,647,056 | 1,478,873,018 |
| **Non-Financial Assets** | | | | | |
| Current Tax Assets (Net) | | 9 | 7,641,308 | 18,337,853 | 5,881,559 |
| Deferred Tax Assets (Net) | | 10 | 11,902,968 | 10,761,230 | 11,797,090 |
| Property, Plant and Equipment | | 11 | 50,523,581 | 43,486,238 | 33,313,941 |
| Other Intangible Assets | | 12 | — | 1,104,283 | 1,104,283 |
| Other Non-Financial Assets | | 13 | 14,453,492 | 16,144,381 | 20,165,340 |
| **Total Non-Financial Assets** | **"B"** | | 84,521,349 | 89,833,985 | 72,262,213 |
| **Total Assets** | **"A" + "B"** | | 1,690,436,533 | 1,992,481,041 | 1,551,135,231 |
| **EQUITIES & LIABILITIES** | | | | | |
| **Financial Liabilites** | | | | | |
| Borrowings (Other than Debt Securities) | | 14 | 394,206,961 | 718,922,429 | 304,031,648 |
| Deposits | | 15 | 20,000,000 | 20,000,000 | 20,000,000 |
| Other Financial Liabilites | | 16 | 25,565,547 | 21,288,373 | 7,442,363 |
| | **"A"** | | 439,772,508 | 760,210,802 | 331,474,011 |
| **Non-Fianancial Liabilties** | | | | | |
| Porvisions | | 17 | 17,425,988 | 16,256,670 | 16,086,256 |
| Other Non-Financial Liabilites | | 18 | 3,312,834 | 8,478,763 | 4,026,506 |
| | **"B"** | | 20,738,822 | 24,735,433 | 20,112,762 |
| **Total Liabililites** | **"I" - "A" + "B"** | | 460,511,330 | 784,946,235 | 351,586,773 |
| **Equity** | | | | | |
| Equity Share Capital | | 19 | 128,946,972 | 128,946,972 | 128,946,972 |
| Other Equity | | 20 | 1,100,978,231 | 1,078,587,834 | 1,070,601,486 |
| | **"II"** | | 1,229,925,203 | 1,207,534,806 | 1,199,548,458 |
| **Total Equity & Liabilites** | **"I" +"II"** | | 1,690,436,533 | 1,992,481,041 | 1,551,135,231 |

The accompanying notes are an integral part of the Financial Statements

As per report of even date attached

**For J.D. Jhaveri & Associates**
Chartered Accountants
Firm Reg. No.: 111850W

**Jatin Jhaveri**
Proprietor
M.No.: 045072
UDIN: 20045072AAAEO4573
Mumbai, 30th July, 2020

**G.M.Gandhi**
Managing Director
(DIN - 00008057)

**A.T.Krishnakumar**
Director
(DIN - 00926304)

**A.B.Desai**
Director
(DIN - 01488287)

**K.C.Maniar**
Director
(DIN - 06926167)

**Sanjay Kabra**
CFO

**A.J.Chandra**
Company Secretary
Mumbai, 30th July, 2020

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020.

| | Note No. | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|---|
| **Revenue from operations** | | | |
| Fee Income | 21 | 47,558,542 | 56,996,610 |
| Income from Trading in Securities | 22 | 266,378,803 | 267,029,990 |
| Net gain on fair value changes | 23 | 29,318,017 | (14,789,736) |
| Other Income | 24 | 7,929,717 | 7,185,175 |
| **Total Income** | | 351,185,079 | 316,422,039 |
| **EXPENSES** | | | |
| Finance Cost | 25 | 104,587,761 | 71,482,757 |
| Employee Benefit Expenses | 26 | 133,401,217 | 174,415,557 |
| Depreciation and Amortization Cost | 11 | 10,315,955 | 9,469,976 |
| Other Expenses | 27 | 68,872,733 | 58,873,153 |
| **Total Expenses** | | 317,177,666 | 314,241,443 |
| **PROFIT/(LOSS) BEFORETAX** | | 34,007,414 | 2,180,596 |
| **Tax Expense** | | | |
| Current Tax | | (1,837,735) | (3,385,065) |
| Earlier Years Tax | | (11,560,230) | 5,642,154 |
| Deferred Tax | | 1,141,739 | (1,035,861) |
| **PROFIT/(LOSS) AFTER TAX** | | 21,751,188 | 3,401,823 |
| **Other comprehensive income** | | | |
| I. Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans | | (149,936) | 2,447,362 |
| ii. Income tax relating to items that will not be reclassified to profit or loss | | 37,735 | (839,935) |
| iii. Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans | | 751,409 | 2,977,098 |
| iv. Income tax relating to items that will not be reclassified to profit or loss | | | |
| Other Comprehensive Income | | 639,209 | 4,584,525 |
| **Total comprehensive income** | | 22,390,397 | 7,986,349 |
| **Earning Per Equity Share** | | | |
| Before Exceptional Items - Basic/Diluted | | 1.77 | 0.28 |
| Significant accounting policies | 1-2 | | |

The accompanying notes are an integral part of the Financial Statements

As per report of even date attached

**For J.D. Jhaveri & Associates**
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Firm Reg. No.: 111850W

**Jatin Jhaveri**
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**A.T.Krishnakumar**
Director
(DIN - 00926304)

**K.C.Maniar**
Director
(DIN - 06926167)

**A.J.Chandra**
Company Secretary
Mumbai, 30th July, 2020

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020.

| | | For the Year 31.03.2020 | | For the Year 31.03.2019 |
|---|---|---|---|---|
| **A CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Profit before tax** | | **34,007,414** | | 2,180,596 |
| Adjustments for : | | | | |
| Depreciation and amortisation expenses | 10,315,955 | | 9,469,976 | |
| Finance costs | 104,587,761 | | 71,482,757 | |
| Fixed Assets written off | 1,104,283 | | — | |
| Rent received | (120,000) | | (120,000) | |
| Interest received | (6,695,651) | | (7,065,175) | |
| Profit on Sale of Investments | (40,634,115) | | (914,386) | |
| Ind AS adjustment(transition reserve) | 639,209 | | 4,584,525 | |
| Changes in Other comprehensive Income | — | | — | |
| | | 69,197,442 | | 77,437,697 |
| **Operating Profit Before Working Capital Changes** | | 103,204,856 | | 79,618,293 |
| Changes in working capital: | | | | |
| Inventories | 479,891,719 | | (186,019,015) | |
| Trade receivables | (247,138,412) | | (174,354,758) | |
| Loans | (40,650,658) | | 17,880,915 | |
| Other Current Assets | (24,273,406) | | (308,094) | |
| Current Liability | (888,755) | | 18,298,267 | |
| Provisions | 1,169,319 | | 170,414 | |
| | | 168,109,807 | | (324,332,271) |
| **Cash generated from operations** | | 271,314,663 | | (244,713,978) |
| a.Direct Taxes (Paid) | | (2,701,420) | | (10,199,205) |
| **Net cash flow from / (used in) operating activities (A)** | | 268,613,243 | | (254,913,183) |
| **B Cash flow from / (used in) investing activities** | | | | |
| a.Purchase Of Property , plant and equipment | (17,353,298) | | (19,642,273) | |
| b.Purchase of Investments | (49,564,798) | | (53,119,460) | |
| c.Sale of Investments | 121,062,654 | | 50,480,600 | |
| d.Rent received | 120,000 | | 120,000 | |
| e.Interest received | 6,695,651 | | 7,065,175 | |
| **Net Cash used in Investing Activities (B)** | | 60,960,209 | | (15,095,958) |
| **C Cash flow from / (used in) financing activities** | | | | |
| a.Borrowings -Net of Repayment | (324,715,468) | | 414,890,782 | |
| b.Interest Paid | (104,587,761) | | (71,482,757) | |
| | | (429,303,229) | | 343,408,025 |
| **Net cash flow from / (used in) financing activities ( C)** | | (429,303,229) | | 343,408,025 |
| **Net increase / (decrease) in Cash and cash equivalents (A+B+C)** | | (99,729,777) | | 73,398,884 |
| Cash and cash equivalents at the beginning of the year | | 127,083,189 | | 53,684,305 |
| Cash acquired on amalgamation | | — | | — |
| Cash and cash equivalents at the end of the year | | 27,353,412 | | 127,083,189 |

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020.

| | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|
| **Cash and Cash equivalent as per above Comprises of the following** | | |
| **Cash and cash equivalent as per Note no. 3** | | |
| - cash in hand | 658,081 | 158,090 |
| - Balances with Banks (on current accounts) | 26,695,331 | 126,925,099 |
| | 27,353,412 | 127,083,189 |
| Bank overdraft / cash credit (Note 15B) | | |
| Balance as per statement of cash flows | 27,353,412 | 127,083,189 |

Figures in brackets represent outflows

**Notes :**

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

2. Additon to property , plant and equipment include movements of capital work progress during the year.

As per report of even date attached
**For J.D. Jhaveri & Associates**
Chartered Accountants
Firm Reg. No.: 111850W

**Jatin Jhaveri**
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M.No.: 045072
UDIN: 20045072AAAEO4573
Mumbai, 30th July, 2020

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**A.T.Krishnakumar**
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**K.C.Maniar**
Director
(DIN - 06926167)

**A.J.Chandra**
Company Secretary
Mumbai, 30th July, 2020

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

## A Equity Share Capital

| Particulars | Number of Shares | Amount |
|---|---|---|
| As At 1st April 2018 | 12,296,908 | 122,969,080 |
| Issue of Share Capital | | |
| As At 31st March 2019 | 12,296,908 | 122,969,080 |
| Issue of Share Capital | | |
| As At 31st March 2020 | 12,296,908 | 122,969,080 |

## B. Other Equity

| Particulars | Capital Reserve | Capital (Amalgamation) Reserve Account | Security Premium | General Reserve | Retained Earnings | Actuarial gain/ (loss) on defined benefits obligations | Fair Value through OCI | Total |
|---|---|---|---|---|---|---|---|---|
| **Restated Balance at 1st April, 2018** | 127,447,500 | 119,483,021 | 111,192,453 | 313,828,550 | 387,471,674 | 1,266,806 | 9,911,481 | 1,070,601,486 |
| Fair value through OCI | — | — | — | — | — | — | 2,977,098 | 2977098 |
| Impact of Actuarial Gain/ Loss during the Year | — | — | — | — | — | 1,607,427 | — | 1,607,427 |
| Profit for the period | — | — | — | — | 3,401,823 | — | — | 3,401,823 |
| Total Comprehensive Income (Net of Tax) | — | — | — | — | — | — | — | — |
| Any other change | — | — | — | — | — | — | — | — |
| Transfer from Retained Earnings to General Reseve | — | — | — | — | — | — | — | — |
| Reversal of Deferred Tax Asset on account of Intangible assets | — | — | — | — | — | — | — | — |
| **Balance at 31st March, 2019** | 127,447,500 | 119,483,021 | 111,192,453 | 313,828,550 | 390,873,497 | 2,874,234 | 12,888,579 | 1,078,587,834 |

Continue ...

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

| Particulars | Capital Reserve | Capital (Amalgamation) Reserve Account | Security Premium | General Reserve | Retained Earnings | Actuarial gain/ (loss) on defined benefits obligations | Fair Value through OCI | Total |
|---|---|---|---|---|---|---|---|---|
| **Restated Balance at 1st April, 2019** | **127,447,500** | **119,483,021** | **111,192,453** | **313,828,550** | **390,873,497** | **2,874,234** | **12,888,579** | **1,078,587,834** |
| Fair value through OCI | — | — | — | — | — | — | 751,409 | 751,409 |
| Impact of Actuarial Gain/ Loss during the Year | — | — | — | — | — | (112,201) | — | (112,201) |
| Profit for the period | — | — | — | — | 21,751,188 | — | — | 21,751,188 |
| Total Comprehensive Income (Net of Tax) | — | — | — | — | — | — | — | — |
| Any other change | — | — | — | — | — | — | — | — |
| Transfer from Retained Earnings to General Reseve | — | — | — | — | — | — | — | — |
| Reversal of Deferred Tax Asset on account of Intangible assets | — | — | — | — | — | — | — | — |
| **Balance at 31st March, 2020** | **127,447,500** | **119,483,021** | **111,192,453** | **313,828,550** | **412,624,685** | **2,762,033** | **13,639,989** | **1,100,978,231** |

**Significant accounting policies 1-2**

**The accompanying notes are an integral part of the Financial Statements**

As per report of even date attached

**For J.D. Jhaveri & Associates**
Chartered Accountants
Firm Reg. No.: 111850W

**Jatin Jhaveri**
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Director
(DIN - 06926167)

**Sanjay Kabra**
CFO

**A.J.Chandra**
Company Secretary
Mumbai, 30th July, 2020

## NOTE - 1

## CORPORATE INFORMATION

Pioneer Investcorp Limited ("the Company") is a listed Company having its registered office at 1218, Maker Chambers V, 12th Floor, Nariman Point, Mumbai - 400021 and incorporated under the provisions of the Companies Act,1956. The Company is a SEBI Registered Category I Merchant Banker. The Financial statements are approved for issue by the Company's Board of Directors on July 30, 2020.

## NOTE - 2

## SIGNIFICANT ACCOUNTING POLICIES

### 2.01 Basis of preparation and presentation of financial statements

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical costconvention on the accrual basis except for certain financial instruments which are measured at fair values, and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been presented in accordance with schedule III-Division III General Instructions for Preparation of financial statements of a Non-Banking Financial Company (NBFC) that is required to comply with Ind AS.

For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies(Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31,2020 are the first financials which the Company has prepared in accordance with IndAS.

Refer to note 39 for information on how the Company has adopted Ind AS.

### 2.02 First-time adoption of Ind AS

Ind AS 101 requires that all Ind AS effective for the first Ind AS financial statements, be applied consistently and retrospectively for all fiscal years presented. However, this standard provides some exception and exemption to this general requirement in specific cases.

The application of relevant exception and exemption are

### Exceptions to retrospective application of other Ind AS

**(a) Estimates:**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies),unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates considered in accordance with Previous GAAP.

**(b) Ind AS 109-Financial Instruments (Classification and measurement financial assets):**

Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to IndAS. The Company has evaluated the facts and circumstances existing on the date of transition to IndAS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.

**Exemptions from retrospective application of Ind AS**

(a) **Ind AS 16 Property, Plant and Equipment/ Ind AS 38 Intangible Assets :** If there is no change in the functional currency, an entity may elect to measure an item of property, plant and equipment /Intangible assets at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the property, plant and equipment/intangible assets by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.

The Company has elected to continue with the carrying amount for all of its Property, Plant and Equipment and Intangible Assets ,measured as per Previous GAAP and use that as its deemed cost as at the date of transition i.e. April 01, 2018

(b) **Ind AS 27 Separate Financial statements:** An entity is required to account for its investments in subsidiaries, joint ventures and associates either:

(a) at cost; or

(b) in accordance with Ind AS 109.

Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiaries at deemed cost being carrying value as previous GAAP.

(c) **Ind AS 109-Financial Instruments:** Ind AS 109 permits an entity to designate a financial liability and financial asset (meeting certain criteria) at fair value through profit or loss. A financial liability and financial asset shall be designated at fair value through profit or loss, on the basis of facts and circumstances that exist at the date of transition.

**2.03 Functional and presentation currency**

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). Indian rupee is the functional currency of the Company.

**2.04 Use of estimates**

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognized in the financial statements are:

- Valuation of financial instruments

- Measurement of defined employee benefit obligation

- Useful life of property, plant and equipment

- Useful life of investment property

- Provisions

**2.05 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management varies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature,characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 2.06 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Ind AS 115 "Revenue from contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

A) Identify the contract(s) with a customer;

B) Identify the performance obligations;

C) Determine the transaction price;

D) Allocate the transaction price to the performance obligations;

E) Recognise revenue when or as an entity satisfies performance obligation.

**Revenue from operations**

**Sale of Services**

**Merchant banking fees**

Revenue from merchant banking fees includes arranger fees, advisory fees, lead manager fees are recognized when the Company satisfies performance obligation. Lead manager fees are recognised over a point of time. The Company measures its progress towards satisfaction of performance obligation based on output method i.e. milestone basis. Revenue from arranger services and advisory services are recognised point in time.

**Brokerage**

Revenue from brokerage is recognised point in time.

**Interest Income**

Under Ind AS 109, Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through Profit and loss (FVTPL).

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instruments in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premium or discounts.

   Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

**Net gain on Fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at Fair value through Other Comprehensive Income ("FVTOCI") is recognised in net gain\loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Statement of Profit and Loss.

**Dividend Income**

Dividend income is recognised

a. When the right to receive the payment is established.

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

**Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

## 2.07 Taxes

The tax expense for the period comprises of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised in the other comprehensive income or equity. In which case, the tax is also recognised in other comprehensive income or equity.

**Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss,either in other comprehensive income or directly in equity. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions, where appropriate.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statementsand the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised , based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that suffcient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

## 2.08 Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

**Subsequent Cost**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

**Depreciation**

Depreciation is calculated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013.

Leasehold improvements are amortised over the lease period.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Estimated useful life of the assets is as under:

| Class of Assets | Useful life in Years |
|---|---|
| Buildings | 60 |
| Computers | 3 |
| Office Equipment | 5 |
| Furniture and Fixtures | 10 |
| Vehicles | 8 |
| Software | 3 |

**Derecognition**

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

Upon first time adoption of IND-AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount at its deemed cost on the date of transition to IND-AS i.e. April 01, 2018.

**2.09 Intangible assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any.

The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

The Company has elected to continue with the previous GAAP carrying amount of all intangible assets as deemed cost at the date of transition i.e. April 01, 2018

**Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

**Derecognition**

An item of intangible asset and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognized.

Intangible assets comprising of Software are amortised on a straight line basis over its estimated useful life or maximum 3 years, whichever is shorter.

**2.10 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**2.11 Provisions, contingent liabilities and contingent assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

A contingent assets, where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in Ind AS 37.

## 2.12 Impairment of assets

### a) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The Company applies a simplified approach in calculating Expected Credit Losses (ECLs) on trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of profit or loss.

### b) Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Pro t and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## 2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

**Amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ("EIR") method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

**Fair value through profit and loss (FVTPL):** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, except interest income and dividend income if any, recognized as “Net gain on fair value changes “ in the Statement of Profit and Loss.

**Fair value through other comprehensive income (FVOCI):** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period, the Company changes its business model for managing financial assets.

**Trade Receivables and Loans:**

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

**Debt Instruments:**

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income (“FVTOCI”) or fair value through profit or loss (“FVTPL”) till derecognition on the basis of (i) the entity's business model for managing the fnancial assets and (ii) the contractual cash fow characteristics of the financial asset.

(a) **Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate (“EIR”) method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) **Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash fows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassifed from the equity to “other income” in the Statement of Profit and Loss.

(c) **Measured at fair value through profit or loss:** A financial asset not classifed as either amortised cost or FVTOCI, is classified as FVTPL. Such nancial assets are measured at fair value with all changes in fair value, except interest income and dividend income if any, recognized as “Net gain on fair value changes “ in the Statement of Profit and Loss. Interest income /dividend income on financial assets measured at FVTPL is recognised separately from "net gain on fair value changes” in the statement of profit and loss.

**Equity Instruments:**

All investments in equity instruments other than investments in subsidiary companies classified under financial assets are initially measured at fair value , the Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

**Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

**Financial Liabilities:**

**Initial recognition and measurement**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and in the case of borrowings trade payables and other financial liabilities, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade payables, deposits and other financial liabilities.

**Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

**(a) Borrowings:** Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Pro t and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

**(b) Trade and Other Payables:** These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

**(c) Deposits:** They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

**(d) Financial guarantee contracts:** The Company on case to case basis elects to account for financial guarantee contracts as a financial instruments or insurance contracts, as specified in Ind AS 109 on Financial instruments or Ind AS 104 on Insurance contracts . The Company has regarded its financial guarantee contracts as insurance contracts. At the end of each reporting period the Company performs liability liquidity test ( i.e. it assesses the likelihood of a pay out based on current undiscounted estimates of future cash flows ), and any deficiency is recognised in the statement of profit and loss.

**Derecognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**2.14 Investments in equity instruments of subsidiaries**

Investments in equity instruments including deemed equity instruments of subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

Upon first time adoption of IND-AS, the Company has elected to measure all its Investments in equity instruments of subsidiaries at the Previous GAAP carrying amount at its deemed cost on the date of transition to IND-AS i.e. April 01, 2018.

**2.15 Segment Reporting:**

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

**Segment Policies:**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

**Segment information:**

Companies whole business is being considered as one segment.

**2.16 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above,as they are considered an integral part of the Company's cash management.

**2.17 Retirement benefits**

**i) Defined contribution plans (Provident fund)**

In accordance with Indian Law, eligible employees receive benefits from Provident Fund and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

**ii) Defined benefit plans (Gratuity)**

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumsump payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Company recognises all remeasurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

**iii) Short term benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### iv) Compensated absences

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided at the end of year and charged to the Statement of Profit and Loss.

## 2.18 Lease

### Company as a Leasee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### Right of use assets

The Company as a lessee The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term or useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sale and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**2.19 Earnings per share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**2.20 Recent accounting developments**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from 1 April 2020

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| **Note No.: 3** | | | |
| **Cash & Cash Equivalants** | | | |
| Cash On Hand | 658,081 | 158,090 | 152,999 |
| **Balance with Banks** | | | |
| In Current Accounts | 26,695,331 | 126,925,099 | 53,531,306 |
| | 27,353,412 | 127,083,189 | 53,684,305 |
| **Note No.: 4** | | | |
| **Trade Receivables** | | | |
| Trade Receivables considered good- unsecured | 898,040,703 | 650,902,292 | 476,547,534 |
| | 898,040,703 | 650,902,292 | 476,547,534 |
| **Note No.: 5** | | | |
| **Loans** | | | |
| (A) Loan to Subsidiaries | 41,330,790 | 680,132 | 18,561,047 |
| TOTAL (A) (Gross) | 41,330,790 | 680,132 | 18,561,047 |
| Less: Impairment Loss Allowance | — | — | — |
| TOTAL (A) (Net) | 41,330,790 | 680,132 | 18,561,047 |
| (B) | | | |
| (i) Secured | — | — | — |
| (ii) Unsecured | 41,330,790 | 680,132 | 18,561,047 |
| TOTAL (B) (Gross) | 41,330,790 | 680,132 | 18,561,047 |
| Less: Impairment Loss Allowance | — | — | — |
| TOTAL (B) (Net) | 41,330,790 | 680,132 | 18,561,047 |
| ( C) Loan in India | | | |
| (I) Public Sector | — | — | — |
| (ii) Others | 41,330,790 | 680,132 | 18,561,047 |
| TOTAL (C) (Gross) | 41,330,790 | 680,132 | 18,561,047 |
| Less: Impairment Loss Allowance | — | — | — |
| TOTAL (C) (Net) | 41,330,790 | 680,132 | 18,561,047 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note No. 6- Investments**

| | Investments | No. of share 31.03.2020 | No. of share 31.03.2019 | No. of share 31.03.2018 | Amount 31.03.2020 | Amount 31.03.2019 | Amount 31.03.2018 |
|---|---|---|---|---|---|---|---|
| **A** | **At Cost** | | | | | | |
| I | In wholly owned Subsidiary Companies (Unquoted- Equity Shares) | | | | | | |
| | Infinity.Com Financial Securities Ltd. | 18,500,000 | 18,500,000 | 18,500,000 | 244,501,960 | 244,501,960 | 244,501,960 |
| | Pioneer Commodity Intermediaries Pvt. Ltd. | 1,600,000 | 1,600,000 | 1,600,000 | 16,000,000 | 16,000,000 | 16,000,000 |
| | Pioneer Investment Advisory Services Ltd. | 50,000 | 50,000 | 50,000 | 500,000 | 500,000 | 500,000 |
| | Pioneer Money Management Ltd. | 6,000,000 | 6,000,000 | 6,000,000 | 60,000,000 | 60,000,000 | 60,000,000 |
| | Pioneer Wealth Management Services Ltd. | 6,990,000 | 6,990,000 | 6,990,000 | 69,900,000 | 69,900,000 | 69,900,000 |
| | Pioneer Fundinvest Pvt. Ltd. | 14,500,000 | 14,500,000 | 14,500,000 | 146,512,000 | 146,512,000 | 146,512,000 |
| | Total | | | | 537,413,960 | 537,413,960 | 537,413,960 |
| **B** | **At Fair Value through Profit & Loss** | | | | | | |
| **I** | **In Other Companies (Unquoted)** | | | | | | |
| | Pioneer Insurance & Reinsurance Brokers Pvt Ltd. | 500,000 | 250,000 | 250,000 | 16,139,989 | 15,388,579 | 12,411,481 |
| | Total | | | | 16,139,989 | 15,388,579 | 12,411,481 |
| **ii** | **In Equity Shares (Quoted)** | | | | | | |
| | Arihant Foundations & Housing Ltd. | 243,155 | 77,974 | 77,974 | 3,695,956 | 2,257,347 | 3,699,866 |
| | Aditya Birla Capital Ltd. | — | 243,600 | 243,600 | — | 23,531,760 | 35,553,420 |
| | Adani Green Energy Ltd. | 2,000 | 60,880 | — | 307,300 | 2,258,648 | — |
| | Starlog Enterprises Ltd. | 21,183 | — | — | 402,477 | — | — |
| | Jubilant Life Sciences Ltd | — | 14,995 | — | — | 9,968,676 | — |
| | Total | | | | 4,405,733 | 38,016,431 | 39,253,286 |
| **iii** | **In Mutual Funds (quoted)** | | | | | | |
| | Reliance Mutual Fund- ETF Liquid Bees | — | 13 | 13 | — | 13,043 | 12,555 |
| **C** | **At Amortised Cost** | | | | | | |
| | Infinity.com Financial Securities Ltd. (Unquoted - Non Cumulative & Non Convertible 6% Preference Shares in subsidiary) | 300,000 | 300,000 | 300,000 | 21,083,116 | 19,074,524 | 17,262,013 |
| | Total | | | | 579,042,798 | 609,906,538 | 606,353,296 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| **Note No.: 7** | | | |
| Inventories | | | |
| Shares / Securities / Bonds | 12,335,658 | 492,227,376 | 306,208,361 |
| | 12,335,658 | 492,227,376 | 306,208,361 |
| **Note No.: 8** | | | |
| Other Financial Assets | | | |
| Security Deposit | 16,491,269 | 15,022,318 | 14,614,043 |
| Advance to employees | 30,949,905 | 6,295,769 | 2,547,000 |
| Other Receivables | 370,649 | 529,442 | 357,432 |
| | 47,811,823 | 21,847,529 | 17,518,475 |
| **Note No.: 9** | | | |
| Current Tax Assets | | | |
| Advance Tax (Net) | 7,641,308 | 18,337,853 | 5,881,559 |
| | 7,641,308 | 18,337,853 | 5,881,559 |
| **Note No.: 10** | | | |
| Deferred Tax (Assets) | | | |
| On Account of Depreciation Diff | 4,731,340 | 1,738,920 | 2,246,610 |
| On Account of 43B disallowances | 4,385,773 | 5,427,127 | 5,318,599 |
| On Account of Finance Lease Impact | 342,977 | 280,042 | 98,745 |
| On Account of Fair value impact of financial asset | 2,442,879 | 3,315,141 | 4,133,136 |
| | 11,902,968 | 10,761,230 | 11,797,090 |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note No.: 11**

**PROPERTY, PLANT AND EQUIPMENT**

| | Office Premises* | Leasehold Office Premises | Office Equipments | Furniture & Fixtures | Vehicles | Right to Use Assets Ind AS | Total |
|---|---|---|---|---|---|---|---|
| **Gross block (Deemed cost - refer note below)** | | | | | | | |
| As at 1st April, 2018 | 14,328,820 | 7,304,228 | 59,818,358 | 26,894,697 | 24,536,368 | 6,740,647 | 139,623,118 |
| Addition | — | — | 687,529 | 3,971,508 | — | 14,983,236 | 19,642,273 |
| Disposal | — | — | — | — | — | — | — |
| As at 31st March, 2019 | 14,328,820 | 7,304,228 | 60,505,887 | 30,866,205 | 24,536,368 | 21,723,883 | 159,265,391 |
| Addition | — | — | 665,506 | 1,004,731 | 9,375,843 | 6,307,218 | 17,353,298 |
| Disposal | — | — | — | — | — | 5,999,549 | 5,999,549 |
| As at 31st March, 2020 | 14,328,820 | 7,304,228 | 61,171,393 | 31,870,936 | 33,912,211 | 22,031,552 | 170,619,140 |
| **Accumlated Depreciation** | | | | | | | |
| As at 1st April, 2018 | 4,459,346 | 7,304,228 | 57,603,427 | 24,846,465 | 8,398,348 | 3,697,363 | 106,309,177 |
| Addition | 186,079 | — | 779,404 | 491,136 | 2,521,844 | 5,491,513 | 9,469,976 |
| Disposal | — | — | — | — | — | — | — |
| As at 31st March, 2019 | 4,645,425 | 7,304,228 | 58,382,831 | 25,337,601 | 10,920,192 | 9,188,876 | 115,779,153 |
| Addition | 226,873 | — | 693,284 | 621,977 | 3,069,929 | 5,703,892 | 10,315,955 |
| Disposal | — | — | — | — | — | 5,999,549 | 5,999,549 |
| As at 31st March, 2020 | 4,872,298 | 7,304,228 | 59,076,115 | 25,959,578 | 13,990,121 | 8,893,219 | 120,095,559 |
| **Net Block** | | | | | | | |
| **As at 1st April, 2018** | **9,869,474** | **—** | **2,214,931** | **2,048,232** | **16,138,020** | **3,043,284** | **33,313,941** |
| **As at 31st March, 2019** | **9,683,395** | **—** | **2,123,056** | **5,528,604** | **13,616,176** | **12,535,007** | **43,486,238** |
| **As at 31st March, 2020** | **9,456,522** | **—** | **2,095,278** | **5,911,358** | **19,922,090** | **13,138,333** | **50,523,581** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note No.: 12**

**OTHER INTANGIBLE ASSETS**

| Particulers | Software | Total |
|---|---|---|
| **Gross block (Deemed cost - refer note below)** | | |
| As at 1st April, 2018 | 26,648,094 | **26,648,094** |
| Addition | — | — |
| Disposal/ Reversal | — | — |
| As at 31st March, 2019 | 26,648,094 | **26,648,094** |
| Addition | — | — |
| Disposal/ Reversal | 26,648,094 | **26,648,094** |
| As at 31st March, 2020 | — | — |
| **Accumlated Depreciation** | | |
| As at 1st April, 2018 | 25,543,811 | **25,543,811** |
| Addition | — | — |
| Disposal/ Reversal | — | — |
| As at 31st March, 2019 | 25,543,811 | **25,543,811** |
| Addition | — | — |
| Disposal/ Reversal | 25,543,811 | **25,543,811** |
| As at 31st March, 2020 | — | — |
| **Net Block** | | |
| **As at 1st April, 2018** | 1,104,283 | 1,104,283 |
| **As at 31st March, 2019** | 1,104,283 | 1,104,283 |
| **As at 31st March, 2020** | — | — |

| | 31.03.2020<br>₹ | 31.03.2019<br>₹ | 31.03.2018<br>₹ |
|---|---|---|---|
| **Note No.: 13** | | | |
| Other Non Financial Assets | | | |
| Balance with Govt. / Statutory Authorities | 4,828,661 | 4,695,783 | 7,632,119 |
| Prepaid Expenses | 9,624,831 | 11,448,598 | 12,533,222 |
| | 14,453,492 | 16,144,381 | 20,165,340 |
| **Note No.: 14** | | | |
| **Borrowing other than Debt Securities** | | | |
| **Term Loans** | | | |
| From Bank | 144,318,554 | 144,817,232 | 7,450,976 |
| From Others | 119,240,048 | 6,241,855 | 7,329,638 |
| **Demand Loans** | | | |
| From Bank | 122,843,136 | 538,988,711 | 289,251,034 |
| From Others | 7,805,222 | 28,874,631 | — |
| | 394,206,961 | 718,922,429 | 304,031,648 |
| Secured* | 386,401,739 | 690,047,798 | 304,031,648 |
| Unsecured | 7,805,222 | 28,874,631 | — |
| | 394,206,961 | 718,922,429 | 304,031,648 |

*Secured Against

(I) Term loans are secured against Personal Guarantee of Managing Director & mortagage of property owning by company & third parties. Vehicle loan are secured by hypothecation of vehicles.

'(ii) Demand Loans are secured against pledge of securities/bonds. The loan is repayable on demand

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| **Note No.: 15** | | | |
| **Deposits** | | | |
| Lease Rent Deposits | 20,000,000 | 20,000,000 | 20,000,000 |
| | 20,000,000 | 20,000,000 | 20,000,000 |
| **Note No.: 16** | | | |
| **Other Financial Liabilities** | | | |
| Expenses Payable | 11,064,465 | 7,779,129 | 3,768,426 |
| Unclaimed Dividends | — | 135,386 | 331,997 |
| Finance lease liability | 14,501,082 | 13,373,857 | 3,341,939 |
| | 25,565,547 | 21,288,373 | 7,442,363 |
| **Note No.: 17** | | | |
| **Provisions** | | | |
| Provision for Employee Benefits | | | |
| Gratuity (refer note - 29) | 17,425,988 | 15,142,603 | 14,972,190 |
| Others | — | 1,114,067 | 1,114,067 |
| | 17,425,988 | 16,256,670 | 16,086,256 |
| **Note No.: 18** | | | |
| Other Non-Financial Liabilites | | | |
| Duties & Taxes Payable | 3,312,834 | 8,478,763 | 4,026,506 |
| | 3,312,834 | 8,478,763 | 4,026,506 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| **Note No.: 19** | | | |
| **Equity Share Capital** | | | |
| Authorised Capital:* | | | |
| 25,000,000 Equity Shares of Rs.10/- each (Previous Year: 25,000,000 Equity Shares of Rs.10/- each) | **250,000,000** | 250,000,000 | 250,000,000 |
| | **250,000,000** | 250,000,000 | 250,000,000 |
| **Issued Subscribed & Paid up:** | | | |
| 1,22,96,908 Equity Shares of Rs.10/- each (Previous Year: 1,22,96,908 Equity Shares of Rs.10/- each) | **122,969,080** | 122,969,080 | 122,969,080 |
| Add :Amount paid up on Shares Forfeited | **5,977,892** | 5,977,892 | 5,977,892 |
| Total Issue, Subscribed & Fully Paid up Share Capital | **128,946,972** | 128,946,972 | 128,946,972 |

A) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

| Particulars | March 31, 2020 | | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|---|---|
| | Equity Share | | Equity Share | | Equity Share | |
| | No.of Shares | Amount | No.of Shares | Amount | No.of Shares | Amount |
| Equity | | | | | | |
| No of shares outstanding at the beginning of the year | 12,296,908 | 122,969,080 | 12,296,908 | 122,969,080 | 12,296,908 | 122,969,080 |
| Add: Additional shares issued during the year year | — | — | — | — | — | — |
| No of shares outstanding at the end of the year | **12,296,908** | **122,969,080** | **12,296,908** | **122,969,080** | **12,296,908** | **122,969,080** |

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| B) Details of Shareholders holding more than 5% shares in the Company: | | | |
| Gaurang M. Gandhi 75,19,699 (Previous Year 73,76,428) equity shares of Rs 10 fully paid | **61.15%** | 59.99% | 55.64% |

C) Rights attached to equity shares

The company has only one class of issued equity shares having apar value of Rs 10/- per share. Each holder of equity share entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

D) Employee Stock Option Scheme-refer note 41

E) The company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during the years immediately preceding 31 March 2020

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note No.: 20**

**Other Equity**

| Sr. No. | Particular | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|---|
| | **Reserves and Surplus** | | | |
| (I) | Capital Reserve | | | |
| | Opening and Closing balance | 127,447,500 | 127,447,500 | 127,447,500 |
| (ii) | Capital (Amalgamation) Reserve | | | |
| | Opening and Closing balance | 119,483,021 | 119,483,021 | 119,483,021 |
| (iii) | Securities Premium Account | | | |
| | Opening and Closing balance | 111,192,453 | 111,192,453 | 111,192,453 |
| (iv) | Retained Earnings | | | |
| | Opening balance | 390,873,497 | 387,471,674 | 358,378,722 |
| | Add Profit of the Year | 21,751,188 | 3,401,823 | 29,092,952 |
| | Closing balance | 412,624,685 | 390,873,497 | 387,471,674 |
| (v) | Other Comprehensive Income | | | |
| | Opening balance | 15,762,813 | 11,178,288 | — |
| | Add: Additions During the year | 639,209 | 4,584,525 | 11,178,288 |
| | Closing balance | 16,402,022 | 15,762,813 | 11,178,288 |
| (vi) | General Reserve | | | |
| | Opening and Closing balance | 313,828,550 | 313,828,550 | 313,828,550 |
| | Total | 1,100,978,231 | 1,078,587,834 | 1,070,601,486 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|
| **Note No.: 21** | | |
| Fees and Commission | | |
| Investment Banking and Advisory Fees | 47,558,542 | 56,996,610 |
| | 47,558,542 | 56,996,610 |
| **Note No.: 22** | | |
| **'Income from Trading in Securities** | | |
| Income/(loss) from arbitrage transaction/stock in trade | 282,909,677 | 281,217,575 |
| Loss From Derivatives | (16,530,874) | (14,187,585) |
| | 266,378,803 | 267,029,990 |
| **Note No.: 23** | | |
| **Net Gain on fair value changes** | | |
| Net gain/(loss) on financial instruments at fair value through profit or loss | | |
| Realised gain | 40,704,093 | 914,874 |
| Unrealised gain/(loss) | (11,386,075) | (15,704,611) |
| | 29,318,017 | (14,789,736) |
| **Note No.: 24** | | |
| **Other Income** | | |
| Interest | 6,695,651 | 7,065,175 |
| Rent | 120,000 | 120,000 |
| Sundry Liability Written Back | 1,114,067 | — |
| | 7,929,717 | 7,185,175 |
| **Note No.: 25** | | |
| **FINANCE COSTS** | | |
| Interest on borrowings | 84,952,971 | 60,131,999 |
| Finance charges on Lease | 1,651,006 | 1,623,432 |
| Interest Others | 8,808,581 | 1,632,462 |
| Other borrowing cost | 9,175,204 | 8,094,864 |
| | 104,587,761 | 71,482,757 |
| **Note No.: 26** | | |
| **Employee Benefit Expenses** | | |
| Salaries & Bonus | 126,932,052 | 166,098,963 |
| Gratuity | 2,393,064 | 4,825,469 |
| Contribution to Provident Fund | 2,945,640 | 2,790,695 |
| Staff Welfare | 1,130,461 | 700,430 |
| | 133,401,217 | 174,415,557 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|
| **Note No.: 27** | | |
| **Other Expenses** | | |
| Rent | 2,622,047 | 3,403,722 |
| Business Promotion Expenses | 7,770,615 | 8,570,568 |
| Power and Fuel | 710,652 | 892,799 |
| Postage, Telex and Telephones | 1,673,510 | 1,613,403 |
| Directors' Sitting Fees | 280,000 | 230,000 |
| Travelling and Conveyance | 3,837,855 | 6,243,308 |
| Motor Car Expenses | 8,991,560 | 9,637,102 |
| Legal and Professional Charges | 14,004,900 | 7,648,900 |
| CSR Expenses | 1,350,000 | 1,325,000 |
| Membership & Subscription | 4,341,550 | 4,404,481 |
| Service Tax Paid | 8,022,257 | 642,965 |
| **Auditors' Remuneration:** | | |
| Audit Fees | 300,000 | 300,000 |
| Tax Audit Fees | 50,000 | 50,000 |
| Miscellaneous Expenses | 14,917,786 | 13,910,905 |
| | 68,872,733 | 58,873,153 |

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| **Note No.: 28** | | | |
| **CONTINGENT LIABILITIES** | | | |
| Corporate guarantee given to a bank in respect of working capital facility, cash credit and term loan facility taken by a subsidiary company | 40,000,000 | 40,000,000 | 180,000,000 |
| In respect of Income Tax Demands | 19,573,981 | — | — |
| In respect of Service Tax Demands | — | 27,525, 349 | 27525, 349 |
| | 59,573,981 | 67,525,349 | 207,525,349 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|
| **Note No.: 29** | | |
| **DISAGGREGATED REVENUE INFORMATION** | | |
| The table below represents disaggregation of Company's revenue from contracts with the customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors. | | |
| **Type of goods or service** | | |
| Arranger and Advisory fees | 45,558,542 | 56,996,610 |
| Brokerage | 2,000,000 | — |
| **Total revenue from contracts with the customers** | 47,558,542 | 56,996,610 |
| **Geographical markets** | | |
| India | 47,558,542 | 56,996,610 |
| Outside India | — | — |
| **Total revenue from contracts with the customers** | 47,558,542 | 56,996,610 |
| Relation with customer | | |
| Non related party | 47,558,542 | 56,996,610 |
| Related Party | — | — |
| **Total revenue from contracts with the customers** | 47,558,542 | 56,996,610 |
| **Timing of revenue recognition** | | |
| Service transferred over a period of time | — | — |
| Service transferred over a point of time | 47,558,542 | 56,996,610 |
| **Total revenue from contracts with the customers** | 47,558,542 | 56,996,610 |

Geographical revenue is allocated based on the location of the services.

| | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|
| **NOTE - 30** | | |
| **Earning per share** | | |
| Profit for the year as per statement of profit and loss (A) | 21,751,188 | 3,401,823 |
| Weighted average number of Equity Share outstanding during the year for basic and diluted earning per share (B) | 12,296,908 | 12,296,908 |
| Basic and diluted earnings per share (A/B) | 1.77 | 0.28 |
| Nominal value of share (Rs) | 10.00 | 10.00 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note No.: 31**

**AS PER IND AS 19 "EMPLOYEE BENEFITS",THE DISCLOSURES AS DEFINED ARE GIVEN BELOW:**

**Contribution to Defined Contribution Plan , recognised as expense for the year is as under :**

| Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|
| Employer's Contribution to Provident Fund | **1,844,043** | 2,378,107 |

**Defined Benefit Plan**

The Company has an unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

| Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|
| **(a) Statement of profit and loss Net employee benefit expense recognised in the employee cost** | | |
| Current service cost | 1,403,529 | 3,813,080 |
| Past service cost | — | — |
| Interest cost on defined benefit obligation | 1,139,471 | 1,012,389 |
| (Gain) / losses on settlement | — | — |
| **Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)** | **2,543,000** | **4,825,469** |
| **(b) Amount recorded in Other Comprehensive Income (OCI) Opening amount recognised in OCI outside profit and loss account Remeasurement during the period due to :** | | |
| Actuarial loss / (gain) arising from change in financial assumptions | 691,784 | (1,209,855) |
| Actuarial loss / (gain) arising from change in demographical assumptions | — | — |
| Actuarial loss / (gain) arising on account of experience changes | (541,848) | (1,237,507) |
| **Amount recognised in OCI (B)** | **149,936** | **(2,447,362)** |
| **Gratuity expense recognised in the statement of profit and loss and OCI (A+B)** | | |
| **(c) Reconciliation of net liability / asset** | | |
| Opening Defined Benefit liability / (assets) | 15,142,603 | 14,972,189 |
| Expense charged to profit & loss account | 2,543,000 | 4,825,469 |
| Amount recognised in outside profit and loss account | 149,936 | (2,447,362) |
| Benefit paid | (259,615) | (2,207,693) |
| **Closing net defined benefit liability / (asset)** | **17,575,924** | **15,142,603** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|
| **(d) Movement in Benefit obligation and balance sheet** | | |
| Opening Defined Benefit obligation | 15,142,603 | 14,972,189 |
| Current service cost | 1,403,529 | 3,813,080 |
| Past service cost | — | — |
| Interest cost on defined benefit obligation | 1,139,471 | 1,012,389 |
| **Remeasurement during the period due to :** | | |
| Actuarial loss / (gain) arising from change in Financial assumptions | 691,784 | (1,209,855) |
| Actuarial loss / (gain) arising on account of experience changes | (541,848) | (1,237,507) |
| Benefits paid | (259,615) | (2,207,693) |
| **Closing defined Benefit obligation [liability/(asset)] recognised in balance sheet** | **17,575,924** | **15,142,603** |
| **(e) Net liability is bifurcated as follows :** | | |
| Current | 6,408,378 | 6,322,572 |
| Non-current | 11,167,546 | 8,820,031 |
| **Net liability** | | |
| (f) The principal assumptions used in determining gratuity Benefit obligation for the company's plans are shown below: For 18 Years to 58 Years Mortality pre-retirement | | |
| Discount rate | — | — |
| Salary escalation rate (p.a.) | — | — |
| Employee Attrition Rate | — | — |
| Mortality pre-retirement | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| **(g) A quantitative analysis for significant assumption is as shown below:** | | |
| **Indian gratuity plan:** | | |
| **Assumptions -Discount rate** | | |
| Sensitivity Level (a hypothetical increase / (decrease) by) | 1% | 1% |
| Impact on Defined Benefit obligation -increase of sensitivity level | (864,745) | (747,728) |
| Impact on Defined Benefit obligation -decrease of sensitivity level | 979,048 | 849,868 |
| **Assumptions -Future salary escalations rates** | | |
| Sensitivity Level (a hypothetical increase / (decrease) by) | 1% | 1% |
| Impact on Defined Benefit obligation -increase of sensitivity level | 476,054 | 449,470 |
| Impact on Defined Benefit obligation -decrease of sensitivity level | (505,717) | (471,815) |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**The following payments are expected contributions to the Defined Benefit plant in future years.**

| Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|
| Within 1-2 year | **7,209,128** | 6,690,331 |
| 2-3 year | **1,868,569** | 725,753 |
| 3-4 year | **745,039** | 1,249,488 |
| 5-6 year | **777,032** | 687,956 |
| 6-10 year | **4,589,638** | 3,934,183 |

The average duration of the Defined Benefit plan obligation at the end of the reporting period is 5.86 years (March 31, 2019 - 6.16 years)

### NOTE - 32

### SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108, the Company operates in a single operating segment i.e. "Providing Financial Services" within India. Accordingly, no separate disclosure is required.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note No. 33**

**AS PER INDIAN ACCOUNTING STANDARD 24 RELATED PARTY DISCLOSURES, THE DISCLOSURES AS DEFINED ARE GIVEN BELOW:**

**I. List of related parties and their relationship Subsidiaries**

Infinity.com Financial Securities Ltd.

Pioneer Commodity Intermediaries Pvt.Ltd.

Pioneer Money Management Ltd.

Pioneer Investment Advisory Services Ltd.

Pioneer Wealth Management Services Ltd.

Pioneer Fundinvest Pvt. Ltd.

**Key Managerial Personnel**

| | |
|---|---|
| Gaurang Manhar Gandhi | Managing Director |
| Athreya Tyagarajan Krishnakumar | Independent Director |
| Anand Brijendra Desai | Independent Director |
| Kamlini Chaitan Maniar | Independent Director |
| Sanjay Kabra | Chief Financial Officer |
| Amit Jethalal Chandra | Company Secretary |

**Relative of Key Managerial Personnel**

| | |
|---|---|
| Hemang M Gandhi | Brother of Managing Director |
| Ketan Gandhi | Brother of Managing Director |

**Enterprises in which Key Managerial Personnel have control**

Futuristic Impex Pvt. Ltd.

Pioneer Insurance & Reinsurance Brokers Pvt. Ltd.

Sharp Point Motors & Automobiles Pvt. Ltd.

Symbyosys Integrated Solutions Pvt. Ltd.

Associated Capital Market Management Pvt. Ltd.

Siddhi Portfolio Services Pvt. Ltd.

L.Gordhandas & Co. Clearing Agent Pvt. Ltd.

PINC Tech Solutions Pvt. Ltd.

Festive Multitrade Pvt. Ltd.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note No. 33 Cont...**

**II Details of Related Party Transactions are as follows:**

| Sr No | Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|---|
| **(a)** | **Transactions with Related Parties** | | |
| **1** | **Interest Income/ (Expenses)** | | |
| | **Subsidiaries/stepdown/fellow subsidiaries*** | | |
| | Infinity.com Financial Securities Ltd. | 1,471,455 | 2,135,510 |
| | 'Pioneer Money Management Ltd. | 19,135 | 8,234 |
| | Pioneer Investment Advisory Services Ltd. | 50,222 | 39,529 |
| | Pioneer Wealth Management Services Ltd. | 52,205 | 65,276 |
| | Pioneer Fundinvest Pvt. Ltd. | 2,129,303 | — |
| | | **3,722,320** | **2,248,549** |
| **2** | **Remuneration** | | |
| | **Key managerial personnel/relative of key managerial personnel /associates** | | |
| | Mr. Gaurang Gandhi | 15,350,000 | 13,800,000 |
| | Mr. Hemang Gandhi | 3,821,600 | 1,221,600 |
| | Mr. Ketan Gandhi | 6,821,600 | 4,221,600 |
| | Sanjay Kabra | 6,164,000 | 5,416,668 |
| | Amit Chandra | 2,865,341 | 2,833,254 |
| | | **35,022,541** | **27,493,122** |
| **3** | **Remuneration** | | |
| | **Key managerial personnel/relative of key managerial personnel /associates** | | |
| | Infinity.com Financial Securities Ltd. | 1,165,811,626 | 55,000,479 |
| | **Enterprises in which Key Managerial Personnel have control** | | |
| | Futuristic Impex Pvt. Ltd. | 222,915,708 | — |
| | Symbyosys Integrated Solutions Pvt. Ltd. | 217,606,788 | — |
| | Siddhi Portfolio Services Pvt. Ltd. | 211,496,882 | 55,004,125 |
| | | **652,019,378** | **55,004,125** |
| **4** | **'Sale of Government Securities/Bonds Subsidiaries** | | |
| | Infinity.com Financial Securities Ltd. | 1,112,859,624 | 55,005,500 |
| | **Enterprises in which Key Managerial Personnel have control** | | |
| | Futuristic Impex Pvt. Ltd. | 285,088,142 | 223,011,806 |
| | Symbyosys Integrated Solutions Pvt. Ltd. | 280,001,114 | 216,922,240 |
| | Siddhi Portfolio Services Pvt. Ltd. | 285,088,142 | 779,042,845 |
| | | **850,177,398** | **1,218,976,891** |
| **5** | **'Directors Sitting Fees** | | |
| | **Key managerial personnel/relative of key managerial personnel /associates** | | |
| | Chandravadan Chimanlal Dalal | 80,000 | 100,000 |
| | Athreya Tyagarajan Krishnakumar | 30,000 | — |
| | Anand Brijendra Desai | 110,000 | 100,000 |
| | Kamlini Chaitan Maniar | 60,000 | 30,000 |
| | | **280,000** | **230,000** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| Sr No | Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|---|
| 6 | **Rent Received** | | |
| | **Enterprises in which Key Managerial Personnel have control** | | |
| | Pioneer Insurance & Reinsurance Brokers Pvt. Ltd. | 120,000 | 120,000 |
| 7 | **Rent Paid** | | |
| | **Enterprises in which Key Managerial Personnel have control** | | |
| | Symbyosys Integrated Solutions Pvt. Ltd. | 120,000 | 120,000 |
| 8 | **Reimbursement of Expenses** | | |
| | **Subsidiaries** | | |
| | Infinity.com Financial Securities Ltd. | 269,110 | 355,790 |
| | **Enterprises in which Key Managerial Personnel have control** | | |
| | Pioneer Insurance & Reinsurance Brokers Pvt. Ltd. | 1,524,394 | 2,352,715 |
| 9 | **Loans & Advances -Given** | | |
| | **Subsidiaries** | | |
| | Infinity.com Financial Securities Ltd. | 279,178,000 | 649,560,030 |
| | 'Pioneer Money Management Ltd. | 120,900 | 113,688 |
| | Pioneer Investment Advisory Services Ltd. | 25,020 | 64,945 |
| | Pioneer Wealth Management Services Ltd. | 1,287,260 | 9,992,738 |
| | Pioneer Fundinvest Pvt. Ltd. | 39,638,208 | 358,522,175 |
| | | **320,249,388** | **1,018,253,576** |
| 10 | **Loans & Advances- Repayment** | | |
| | **Subsidiaries** | | |
| | Infinity.com Financial Securities Ltd. | 279,178,000 | 661,760,030 |
| | 'Pioneer Money Management Ltd. | — | 12,051 |
| | Pioneer Wealth Management Services Ltd. | 296,000 | 10,324,933 |
| | Pioneer Fundinvest Pvt. Ltd. | 3,847,050 | 358,522,175 |
| | | **283,321,050** | **1,030,619,189** |
| 11 | **Collateral Guarantees given** | | |
| | **Subsidiaries** | | |
| | Infinity.com Financial Securities Ltd. | 40,000,000 | 40,000,000 |
| 12 | **Personal Gaurantee** | | |
| | **Key managerial personnel/relative of key managerial personnel /associates** | | |
| | Gaurang Manhar Gandhi | 2,000,000,000 | 2,000,000,000 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| III. | Balances with related parties: | As of 31.03.2020 | As of 31.03.2019 | As of 01.04.2018 |
|---|---|---|---|---|
| | **Balance Receivables** | | | |
| | **Subsidiaries** | | | |
| | Pioneer Money Management Ltd. | 270,900 | 150,000 | 48,363 |
| | Pioneer Investment Advisory Services Ltd. | 506,599 | 481,579 | 416,634 |
| | Pioneer Wealth Management Services Ltd. | 991,260 | — | 332,195 |
| | Pioneer Fundinvest Pvt. Ltd. | 35,791,158 | — | — |
| | Infinity.com Financial Securities Ltd. | — | — | 12,200,000 |
| | **Deposits** | | | |
| | Pioneer Insurance & Reinsurance Brokers Pvt. Ltd. | (20,000,000) | (20,000,000) | 12,200,000 |
| | Symbyosys Integrated Solutions Pvt. Ltd. | 22,500,000 | 22,500,000 | 22,500,000 |
| | **Corporate Guarantee** | | | |
| | Infinity.com Financial Securities Ltd. | 4,000,000 | 4,000,000 | 180,000,000 |

**Note:Transaction amount is excluding taxes,wherever applicable.**

*** Key managerial remuneration related to retirement benets (i.e.Gratuity ) are recognised under Employee benets expenses in statement of profit and loss along with other employees gratuity costs of the Company based on the actuarial valuation carried out by Independent Actuary.**

### NOTE - 34

**AS PER INDIAN ACCOUNTING STANDARD 116 "LEASES",THE DISCLOSURES AS DEFINED ARE GIVEN BELOW:**

**The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.**

| Sr. | Particular | As On 31.03.2020 | As On 31.03.2019 | As On 01.04.2018 |
|---|---|---|---|---|
| a) | Not later than one year | **6,861,000** | 6,840,600 | 7,673,916 |
| b) | Later than one year but not later than five year | **9,824,306** | 20,325,000 | 29,057,415 |
| c) | Later than five years | **40,000** | — | — |

### NOTE -35

### FINANCIAL INSTRUMENTS

**Financial Risk Management**

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

The carrying value and fair value of financial instrument by categories as of March 31, 2020 were as follows

| Particulars | At Amortised Cost | At Fair value through proft and loss | At Fair value through OCI | Total Carrying Value |
|---|---|---|---|---|
| **Financials Assets** | | | | |
| a. Cash and cash equivalents | 27,353,412 | — | — | 27,353,412 |
| b. Bank Balances other than above | — | — | — | — |
| c. Receivables | 898,040,703 | — | — | 898,040,703 |
| d. Loans | — | — | — | — |
| e. Investments | 21,083,116 | 4,405,733 | — | 25,488,849 |
| f. Other financial assets | 89,142,613 | 12,335,658 | — | 101,478,271 |
| **Total Financial Assets** | **1,035,619,845** | **16,741,391** | — | **1,052,361,235** |
| **Financial Liabilities** | | | | |
| a. Trade Payables | — | — | — | — |
| b. Debt Securities | — | — | — | — |
| c. Borrowings (Other than Debt Securities) | 394,206,961 | — | — | 394,206,961 |
| d. Other financial liabilities | 25,565,547 | — | — | 25,565,547 |
| **Total Financial Liabilities** | **419,772,508** | — | — | **419,772,508** |

The carrying value and fair value of financial instrument by categories as of March 31, 2019 were as follows

| Particulars | At Amortised Cost | At Fair value through proft and loss | At Fair value through OCI | Total Carrying Value |
|---|---|---|---|---|
| **Financials Assets** | | | | |
| a. Cash and cash equivalents | 127,083,189 | — | — | 127,083,189 |
| b. Bank Balances other than above | — | — | — | — |
| c. Receivables | 650,902,292 | — | — | 650,902,292 |
| d. Loans | — | — | — | — |
| e. Investments | 19,074,524 | 38,029,474 | — | 57,103,998 |
| f. Other financial assets | 22,527,661 | 492,227,376 | — | 514,755,037 |
| **Total Financial Assets** | **819,587,666** | **530,256,850** | — | **1,349,844,516** |
| **Financial Liabilities** | | | | |
| a. Trade Payables | — | — | — | — |
| b. Debt Securities | — | — | — | — |
| c. Borrowings (Other than Debt Securities) | 718,922,429 | — | — | 718,922,429 |
| d. Other financial liabilities | 21,288,373 | — | — | 21,288,373 |
| **Total Financial Liabilities** | **740,210,802** | — | — | **740,210,802** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The carrying value and fair value of financial instrument by categories as of April 1, 2018 were as follows

| Particulars | At Amortised Cost | At Fair value through proft and loss | At Fair value through OCI | Total Carrying Value |
|---|---|---|---|---|
| **Financials Assets** | | | | |
| a. Cash and cash equivalents | 53,684,305 | — | — | 53,684,305 |
| b. Bank Balances other than above | — | — | — | — |
| c. Receivables | 476,547,534 | — | — | 476,547,534 |
| d. Loans | — | — | — | — |
| e. Investments | 17,262,013 | 39,265,841 | — | 56,527,854 |
| f. Other financial assets | 36,079,522 | 306,208,361 | — | 342,287,884 |
| **Total Financial Assets** | **583,573,374** | **345,474,203** | — | **929,047,577** |
| **Financial Liabilities** | | | | |
| a. Trade Payables | — | — | — | — |
| b. Debt Securities | — | — | — | — |
| c. Borrowings (Other than Debt Securities) | 304,031,648 | — | — | 304,031,648 |
| d. Other financial liabilities | 7,442,363 | — | — | 7,442,363 |
| **Total Financial Liabilities** | **311,474,011** | **—** | **—** | **311,474,011** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### NOTE -36

### MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

### INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest rate risk exposure mainly from changes in rate of interest on borrowing. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

| Particulars | 31.03.2020 | 31.03.2019 | 01.04.2018 |
|---|---|---|---|
| **Financial assets** | | | |
| Interest bearing | — | — | — |
| - Fixed interest rate | — | — | — |
| Loans | — | — | — |
| Inventory | 12,335,658 | 492,227,376 | 306,208,361 |
| - Floating interest rate | — | — | — |
| Loans | 41,330,790 | 680,132 | 18,561,047 |
| **Total** | **53,666,447** | **492,907,508** | **324,769,409** |
| | | | |
| **Financial Liabilities** | | | |
| Interest bearing | | | |
| - Fixed interest rate | — | — | — |
| Borrowings | — | — | — |
| Borrowings (Vehicle loans) | — | — | — |
| | | | |
| - Floating interest rate | — | — | — |
| Borrowings (Term loans) | 263,558,603 | 151,059,087 | 14,780,614 |
| Borrowings (Repayable on demand) | 130,648,358 | 567,863,342 | 289,251,034 |
| **Total** | **394,206,961** | **718,922,429** | **304,031,648** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### NOTE -37

### LIQUIDITY RISK

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost. The Company's maximum exposure to liquidity risk for the components of the balance sheet at March 31, 2020, March 31, 2019 and April 01, 2018 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The Company's major financial liabilities include term loans with maturity prole ranging between 0 to 5 years and short term borrowings are generally payable within one year. The other payables are with short-term durations. The following table analysis undiscounted financial liabilities by remaining contractual maturities:

| Particulars | On demand | Less than 3 months | 3 to12 months | 1 to 5 years | >5 years | Total |
|---|---|---|---|---|---|---|
| **As at 31st March 2020** | | | | | | |
| Borrowings | 130,648,358 | 4,337,061 | 13,207,855 | 72,570,487 | 173,443,199 | 394,206,961 |
| Trade and other payables | — | — | — | — | — | — |
| Deposits | — | — | 20,000,000 | — | — | 20,000,000 |
| Other financial liabilities | — | 1,334,631 | 15,284,037 | 8,898,165 | 48,714 | 25,565,547 |
| **Total** | 130,648,358 | 5,671,692 | 48,491,892 | 81,468,652 | 173,491,913 | 439,772,508 |
| | | | | | | |
| **As at 31st March 2019** | | | | | | |
| Borrowings | 567,863,342 | 3,384,101 | 10,287,463 | 49,515,006 | 87,872,517 | 718,922,429 |
| Trade and other payables | — | — | — | — | — | — |
| Deposits | — | — | 20,000,000 | — | — | 20,000,000 |
| Other financial liabilities | 135,386 | 1,527,528 | 10,195,611 | 9,272,524 | 157,323 | 21,288,372 |
| **Total** | 567,998,728 | 4,911,629 | 40,483,074 | 58,787,530 | 88,029,840 | 760,210,802 |
| | | | | | | |
| **As at 1st April 2018** | | | | | | |
| Borrowings | 289,251,034 | 837,439 | 2,629,195 | 10,003,522 | 1,310,458 | 304,031,648 |
| Trade and other payables | — | — | — | — | — | — |
| Deposits | — | — | 20,000,000 | — | — | 20,000,000 |
| Other financial liabilities | 331,997 | 527,288 | 5,435,554 | 992,372 | 155,151 | 7,442,363 |
| **Total** | 289,583,031 | 1,364,727 | 28,064,749 | 10,995,894 | 1,465,609 | 331,474,010 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The Company manages its capital structure and makes adjustment in light of changes in business condition. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

| Particulars | 31.03.2020 | 31.03.2019 | 01.04.2018 |
|---|---|---|---|
| **Borrowings** | 394,206,961 | 718,922,429 | 304,031,648 |
| Trade and other payables | — | — | — |
| Deposits | 20,000,000 | 20,000,000 | 20,000,000 |
| Other financial liabilities | 25,565,547 | 21,288,372 | 7,442,363 |
| Less: cash and cash equivalents | (27,353,412) | (127,083,189) | (53,684,305) |
| **Net debt (A)** | **412,419,096** | **633,127,613** | **277,789,706** |
| | | | |
| Equity share capital | 128,946,972 | 128,946,972 | 128,946,972 |
| Other equity | 1,100,978,231 | 1,078,587,834 | 1,070,601,486 |
| **Total member's capital (B)** | **1,229,925,203** | **1,207,534,806** | **1,199,548,457** |
| | | | |
| **Capital and net debt (C=A+B)** | **1,642,344,298** | **1,840,662,419** | **1,477,338,163** |
| | | | |
| Gearing ratio (%) (A/C) | 25.11% | 34,40% | 18.80% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements.Breaches in meeting the financial covenants would permit the bank to immediately call borrowings.There have been no breaches in the financial covenants of any borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the aforesaid financial period.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**NOTE -38**

**FAIR VALUE HIERARCHY**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020

| Particulars | As At 31/03/2020 | Fair value measurement at end of the reporting year using | | |
|---|---|---|---|---|
| | | Level I | Level II | Level III |
| Investments in hybrid instruments FVTPL | 21,083,116 | — | 21,083,116 | — |
| Equity instruments FVTPL | 4,405,733 | 4,405,733 | — | |
| Equity instruments FVTOCI | 16,139,989 | — | — | 16,139,989 |

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019

| Particulars | As At 31/03/2019 | Fair value measurement at end of the reporting year using | | |
|---|---|---|---|---|
| | | Level I | Level II | Level III |
| Investments in hybrid instruments FVTPL | 19,074,524 | — | 19,074,524 | — |
| Equity instruments FVTPL | 38,029,474 | 38,029,474 | — | |
| Equity instruments FVTOCI | 15,388,579 | — | — | 15,388,579 |

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 1, 2018

| Particulars | As At 01/04/2018 | Fair value measurement at end of the reporting year using | | |
|---|---|---|---|---|
| | | Level I | Level II | Level III |
| Investments in hybrid instruments FVTPL | 17,262,013 | — | 17,262,013 | — |
| Equity instruments FVTPL | 39,265,841 | 39,265,841 | — | |
| Equity instruments FVTOCI | 12,411,481 | — | — | 12,411,481 |

Description of techniques and valuation inputs used for Level II hierarchy are under:

| Asset Class | Fair value hierarchy | Valuation techniques and inputs |
|---|---|---|
| Investments in hybrid instruments FVTPL | Level II | Future cash fows are discounted using a discount rate arrived at by adding the spread provided by FIMMDA or other approved agencies and annualised government security yield provided by regulatory authorities |
| Equity instruments FVTOCI | Level III | Unquoted equity investments - NAV of the latest audited financials of the company available in public domain. |

## NOTE -39

## RECONCILIATION OF BALANCE SHEET, TOTAL OTHER COMPREHENSIVE INCOME, EQUITY AND CASH FLOWS AS PER PREVIOUS GAAP TO IND AS.

A Effect of Ind AS adoption on the Balance Sheet as at March 31, 2019 and April 01, 2018

| | | 31.03.2019 | | | 01.04.2018 | | |
|---|---|---|---|---|---|---|---|
| | | Previous Gaap | Effect of Transition to IND AS | As Per IND AS | Previous Gaap | Effect of Transition to IND AS | As Per IND AS |
| **ASSETS** | | | | | | | |
| **Financial Assets** | | | | | | | |
| Cash & Cash Equivalents | | **127,083,195** | — | 127,083,189 | **53,684,305** | — | 53,684,305 |
| Bank Balance other than above | | — | — | — | — | — | — |
| Receivables | | **650,902,292** | — | 650,902,292 | **476,547,534** | — | 476,547,534 |
| Loans | | **680,132** | — | 680,132 | **18,561,047** | — | 18,561,047 |
| Investments | | **597,453,600** | 12,452,938 | 609,906,538 | **584,158,865** | 22,194,430 | 606,353,296 |
| Inventories | | **491,232,229** | 995,147 | 492,227,376 | **305,971,161** | 237,200 | 306,208,361 |
| Other Financial Assets | | **33,173,181** | (11,325,652) | 21,847,529 | **29,700,482** | (12,182,007) | 17,518,475 |
| **Total Financial Assets** | **"A"** | **1,900,524,628** | 2,122,433 | 1,902,647,055 | **1,468,623,394** | 10,249,624 | 1,478,873,018 |
| **Non-Financial Assets** | | | | | | | |
| Current Tax Assets (Net) | | **18,337,853** | — | 18,337,853 | **5,881,559** | — | 5,881,559 |
| Deferred Tax Assets (Net) | | **7,166,047** | 3,595,183 | 10,761,230 | **7,565,209** | 4,231,881 | 11,797,090 |
| Property, Plant and Equipment | | **30,951,230** | 12,535,006 | 43,486,238 | **30,270,656** | 3,043,284 | 33,313,941 |
| Other Intangible Assets | | **1,104,283** | — | 1,104,283 | **1,104,283** | — | 1,104,283 |
| Other Non-Financial Assets | | **6,494,914** | 9,649,467 | 16,144,381 | **9,342,356** | 10,822,985 | 20,165,340 |
| **Total Non-Financial Assets** | **"B"** | **64,054,327** | 25,779,656 | 89,833,985 | **54,164,063** | 18,098,149 | 72,262,214 |
| **Total Assets** | **"A" + "B"** | **1,964,578,955** | 27,902,089 | 1,992,481,040 | **1,522,787,457** | 28,347,773 | 1,551,135,232 |
| **EQUITIES & LIABILITIES** | | | | | | | |
| **Financial Liabilites** | | | | | | | |
| Borrowings (Other than Debt Securities) | | **718,922,429** | — | 718,922,429 | **304,031,648** | — | 304,031,648 |
| Deposits | | **20,000,000** | — | 20,000,000 | **20,000,000** | — | 20,000,000 |
| Other Financial Liabilites | | **7,914,515** | 13,373,857 | 21,288,373 | **4,100,424** | 3,341,939 | 7,442,363 |
| | **"A"** | **746,836,945** | 13,373,857 | 760,210,802 | **328,132,071** | 3,341,939 | 331,474,011 |
| **Non-Fianancial Liabilties** | | | | | | | |
| Porvisions | | **16,256,670** | — | 16,256,670 | **16,086,256** | — | 16,086,256 |
| Other Non-Financial Liabilites | | **8,478,763** | — | 8,478,763 | **4,026,506** | — | 4,026,506 |
| | **"B"** | **24,735,433** | — | 24,735,433 | **20,112,762** | — | 20,112,762 |
| **Total Liabililites** | **"I" - "A" + "B"** | **771,572,377** | 13,373,857 | 784,946,234 | **348,244,833** | 3,341,939 | 351,586,773 |
| **Equity** | | | | | | | |
| Equity Share Capital | | **128,946,972** | — | 128,946,972 | **128,946,972** | — | 128,946,972 |
| Other Equity | | **1,064,059,605** | 14,528,232 | 1,078,587,834 | **1,045,595,652** | 25,005,834 | 1,070,601,486 |
| | **"III"** | **1,193,006,576** | 14,528,232 | 1,207,534,806 | **1,174,542,624** | 25,005,834 | 1,199,548,457 |
| **Total Equity & Liabilites** | **"I" +"II"** | **1,964,578,953** | 27,902,089 | 1,992,481,041 | **1,522,787,457** | 28,347,773 | 1,551,135,230 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

B Net Profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under :

| Particulars | Previous Year 2018-2019 |
|---|---|
| Net profit after tax as reported under Indian GAAP | 18,463,950 |
| Ind AS adjustments increasing (decreasing) net profit as reported under Indian GAAP: | |
| (i) Fair Valuation of Inventories | 757,947 |
| (ii) Fair Valuation of Quoted Equity Shares | (14,531,102) |
| (iii) Remeasurement of defined benefit obligation recognised in other comprehensive income | (1,607,427) |
| (iv) Fair value impact of Non-Convertible & Non-Cumulative Preference Shares | 1,812,511 |
| (v) Fair value impact of Security Deposits | (317,163) |
| (vi) Fair value impact of Lease accounting | (540,195) |
| (vii) Tax impact of above adjustemnts | (636,698) |
| **Net Profit as per Ind AS** | **4,038,521** |
| Other Comprehensive Income (net of Income Tax) | |
| (i) Remeasurement of the defined benefit liabilities | 1,607,427 |
| (ii) Fair value of Equity shares through OCI | 2,977,098 |
| **Total Incl. Comprehensive Income For the Year Ended** | **8,623,047** |

**C) Statement of reconciliation of Equity under previous GAAP and Ind AS**

| Particulars | As at 31.03.2019 | As at 01.04.2018 |
|---|---|---|
| **As Reported Under GAAP** | | |
| Equity Capital | 128,946,972 | 128,946,972 |
| Reserves | 1,064,059,605 | 1,045,595,652 |
| **Total** | **1,193,006,576** | **1,174,542,624** |
| **Adjustments** | | |
| (i) Fair Valuation of Inventories | 995,147 | 237,200 |
| (ii) Fair Valuation of Equity Shares | 23,378,414 | 34,932,418 |
| (iii) Fair value impact of Non-Convertible & Non-Cumulative Preference Shares | (10,925,476) | (12,737,987) |
| (iv) Fair value impact of Security Deposits | (1,676,185) | (1,359,022) |
| (v) Fair value impact of Lease accounting | (838,851) | (298,656) |
| (vi) Tax Impact of above | 3,595,183 | 4,231,881 |
| **Equity as per IND AS** | **1,207,534,808** | **1,199,548,457** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**D) Impact of Ind AS adoption on the statement of cash flow for the year ended 31st March, 2019**

The transition from previous GAAP to Ind AS has not affected the cash flows of the Company.

**i) IND AS 27 & IND AS 109-Investment in subsidiaries**

Under previous GAAP, an entity is required to account for its investments in subsidiaries at cost. Under Ind AS, investment can be measured at cost or fair value. At the transition date, the Company has adopted previous GAAP carrying value as deemed cost.

**ii) IND AS 109 Financial instrument- Shares held for Trading (Inventory)**

Under previous GAAP, an entity is required to account inventory at cost or market value whichever is lower. Under Ind AS, shares held for trading being in financial asset nature mesured at fair value through Profit & Loss.

**iii) IND AS 109 Financial instrument - Investments in equity instruments other than subsidiary**

Under previous GAAP, long term investments are carried at cost less provision for diminution , if any, being permanent in nature . Under Ind AS, Investments in equity instruments shall be recorded at Fair value through P&L. Accordingly, the impact has been recognised.

**iv) IND AS 109 Financial instrument- Investments in Hybrid Instruments (Non-Convertible & Non-Cumulative Preference Shares)**

Under Previous GAAP,long term investments are carried at cost less provision for diminution , if any, being permanent in nature . Under Ind AS, Investments in such instruments shall be recorded at Amortised Cost. Accordingly, the impact has been recognised.

**v) IND AS 19 - Defined benefits plan**

Under previous GAAP, defined benefits plan being unfunded gratuity are recognised based on actuarial. The entire measurement cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, actuarial gain or loss needs to be recorded in other comprehensive income with no subsequent recycling to the statement of profit and loss

**vi) IND AS 109 Financial instrument - Fair value of security deposits given/ taken**

Under previous GAAP, lease security deposit (that are refundable in the nature on the completion of the lease term) are recorded at the transaction value. However, under Ind AS, security deposits shall be recorded initially fair value and subsequently measured at amortized costs. Day 1 impact would be considered as prepaid rent expense/income and be amortised over the lease term. Unwinding income /expenses shall be recorded in the statement of profit and loss with corresponding increase in deposits.

**vii) IND AS 116 Leases - Fair value of security deposits given/ taken**

Under previous GAAP, Operating leases are expensed out whenever lease rental payments been made. Under Ind As, Lease shall be recorded initally at fair value and Right to Use Assets (ROU) and Finance lease liablity to be recognised. Subsequently ROU is amortised over life of the asset and finance charges are booked on finance liability recoginsed.Accordingly Impact is recognised.

**vii) IND AS 116 Leases - Fair value of security deposits given/ taken**

Under previous GAAP, Operating leases are expensed out whenever lease rental payments been made. Under Ind As, Lease shall be recorded initally at fair value and Right to Use Assets (ROU) and Finance lease liablity to be recognised. Subsequently ROU is amortised over life of the asset and finance charges are booked on finance liability recoginsed.Accordingly Impact is recognised.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**viii) Classification and presentation of assets and liabilities**

Under previous GAAP, the Company was not required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities . Under Ind AS, the Company is required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities . Accordingly, the Company has classified and presented its assets and liabilities.

**Note 40**

**INCOME TAX**

| Particulars | Current Year 2019-2020 |
|---|---|
| **Current income tax:** | |
| Current income tax charge | (1,709,405) |
| Adjustments in respect of previous year | (11,560,230) |
| **Deferred tax:** | |
| Relating to origination and reversal of temporary differences | 1,141,739 |
| Income tax expense reported in the statement of profit or loss | (12,127,896) |

The income tax expense for the year can be reconciled to the accounting profit as follows

| Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|
| **Profit before tax** | **34,007,414** | **2,180,596** |
| **Applicable Tax Rate** | **25.17%** | **34.94%** |
| **Computed expected tax expenses** | **8,558,986** | **761,987** |
| **Tax effect of :** | | |
| Tax effect due to non-deductible expenses | 7,870,567 | — |
| Adjustments in respect of previous year | (11,560,230) | — |
| Tax effect due to additional deduction under income tax | 14,720,147 | — |
| Tax effect due to change in tax rate | — | — |
| Tax effect due to different tax rate | — | — |
| Adjustments in respect of current income tax of previous year | 1,141,739 | — |
| Income tax expense reported in the statement of profit or loss | 1,709,405 | — |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note 41**

**ESOP**

| Particulars | 2019-20 | 2018-2019 |
|---|---|---|
| | **ESOP 2007** | **ESOP 2007** |
| Options in force at the begining of the year | (160,000) | — |
| Add:Options granted during the year | — | — |
| Add:Forfeited/lapsed options reissued | — | — |
| Less:Options forfeited/lapsed | — | (160,000) |
| Less: Options Exercised during the year | — | — |
| **Options in force at the end of the year** | (160,000) | (160,000) |
| | | |
| Vested Options outstanding-opening | (80,000) | — |
| Add: Options vested during the year | (40,000) | (40,000) |
| Less: Options Exercised during the year | — | — |
| Less: Vested Options Lapsed | — | 40,000 |
| Vested Options outstanding-closing | (120,000) | (80,000) |

**Note No: 42**

During the financial year 2018-19, the Company spent Rs 13,50,000 (previous year Rs 13,25,000) as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility.

**Note No: 43**

There was no impairment loss on the Fixed assets on the basis of review carried out by the management in accordance with Indian Accounting Standard (Ind AS)- 36 Impairment of Assets.

**Note No: 44**

Balances of certain trade receivables, trade payables are subject to confirmation/reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation/adjustments.

**Note No: 45**

The Company has not received any intimation from 'suppliers' regarding their status under the Micro,Small and Medium Enterprises Development Act, 2006.

**Note No: 46**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

**Note No: 47**

As assessed by the management, Impact of Covid 19 on the financial statements of the Company is likely to be modest and for short term. Management does not foresee any medium to long term risk in company's ability to continue as going concern.

**Note No: 48**

The Company elected to exercise the option of reduced Corporate income-tax rate from 34.94% to 25.17% as permitted under section 115BAA of the Income-tax Act, 1961 as per the amendment notified in the official Gazette dated 12 December 2019.

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Signature to Notes 1 to 48

**For J.D. Jhaveri & Associates**
Chartered Accountants
Firm Reg. No.: 111850W

**Jatin Jhaveri**
Proprietor
M.No.: 045072
UDIN: 20045072AAAEO4573
Mumbai, 30th July, 2020

**G.M.Gandhi**
Managing Director
(DIN - 00008057)

**A.B.Desai**
Director
(DIN - 01488287)

**Sanjay Kabra**
CFO

**A.T.Krishnakumar**
Director
(DIN - 00926304)

**K.C.Maniar**
Director
(DIN - 06926167)

**A.J.Chandra**
Company Secretary
Mumbai, 30th July, 2020

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED PAST FINANCIAL HIGHLIGHTS

(₹ in Crores)

| YEAR | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **STATEMENT OF PROFIT AND LOSS** | | | | | | | | | | | | | |
| Income From Operation | 90.80 | 30.58 | 63.63 | 87.95 | 63.31 | 43.32 | 29.99 | — | — | 62.20 | 33.50 | 37.01 | 39.43 |
| Other Income | 1.20 | 14.67 | 0.88 | 1.35 | 3.10 | 16.02 | 0.91 | — | — | 0.91 | 6.22 | 0.68 | 0.55 |
| Total Income | 91.99 | 45.25 | 64.52 | 89.30 | 66.42 | 58.34 | 30.90 | 34.48 | 25.36 | 63.11 | 39.72 | 37.69 | 39.97 |
| Interest | 5.06 | 5.61 | 4.41 | 8.80 | 8.48 | 12.18 | 12.89 | 9.05 | 8.49 | 13.44 | 7.14 | 7.64 | 10.61 |
| Depreciation | 0.57 | 1.20 | 2.03 | 2.41 | 2.35 | 2.50 | 1.51 | 0.71 | 0.69 | 0.54 | 0.57 | 0.59 | 1.24 |
| Profit Before Taxation | 59.29 | 0.80 | 21.54 | 26.57 | 10.66 | 5.84 | (19.44) | 7.53 | (1.33) | 25.31 | 1.25 | 11.86 | 4.99 |
| Profit After Taxation | 45.74 | (12.33) | 15.07 | 17.18 | 6.03 | 4.24 | (20.86) | 6.20 | (0.85) | 17.80 | 0.32 | 1.93 | 3.11 |
| **BALANCE SHEET** | | | | | | | | | | | | | |
| **EQUITIES & LIABILITIES** | | | | | | | | | | | | | |
| Share Capital | 25.42 | 22.08 | 12.83 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 |
| Reserves & Surplus | 76.30 | 61.25 | 84.56 | 100.43 | 107.03 | 111.26 | 91.40 | 96.37 | 95.51 | 113.32 | 109.79 | 111.73 | 117.40 |
| Loan Funds | 54.22 | 15.98 | 94.09 | 66.00 | 94.94 | 101.38 | 63.63 | 65.57 | 34.30 | 50.30 | 45.67 | 71.92 | — |
| **TOTAL** | **155.94** | **99.31** | **191.48** | **179.32** | **214.86** | **225.53** | **167.93** | **174.83** | **142.70** | **176.51** | **168.36** | **196.54** | **130.29** |
| **ASSETS** | | | | | | | | | | | | | |
| Fixed Assets | 10.66 | 13.45 | 13.99 | 50.77 | 85.55 | 69.81 | 4.84 | 2.98 | 2.38 | 2.75 | 4.46 | 4.57 | 6.27 |
| Investments | 30.85 | 6.23 | 6.33 | 6.77 | 6.61 | 6.86 | 2.18 | 6.61 | 3.69 | 15.05 | 16.26 | 16.78 | 15.94 |
| Net Deferred Tax | (0.11) | (0.78) | (1.16) | (1.09) | 0.99 | 1.32 | 1.08 | 2.61 | 3.91 | 5.90 | 4.40 | 4.34 | 4.34 |
| Net Assets (Current and Non-current) | 114.54 | 80.41 | 172.32 | 122.87 | 121.71 | 147.54 | 159.82 | 162.63 | 132.73 | 152.81 | 143.24 | 170.85 | 0.87 |
| **TOTAL** | **155.94** | **99.31** | **191.48** | **179.32** | **214.86** | **225.53** | **167.93** | **174.83** | **142.70** | **176.51** | **168.36** | **196.54** | **27.42** |
| **KEY RATIOS** | | | | | | | | | | | | | |
| Earnings Per Share (₹) | 40.40 | (10.54) | 12.42 | 14.00 | 4.90 | 3.45 | (16.96) | 5.04 | (0.69) | 14.48 | 0.26 | 1.57 | 2.53 |
| Dividend Per Share (₹) | 1.50 | — | 1.00 | 1.00 | 0.50 | — | — | — | — | — | — | — | — |
| Book Value Per Share (₹) | 96.27 | 69.27 | 79.63 | 92.15 | 97.53 | 100.96 | 84.82 | 88.86 | 88.15 | 102.64 | 99.77 | 101.34 | 105.96 |

## INDEPENDENT AUDITOR'S REPORT

**To**

**The Members of Pioneer Investcorp Ltd.,**

**Report on the audit of the Consolidated Financial Statements Opinion**

**Opinion**

We have audited the accompanying consolidated financial statements of M/s. Pioneer Investcorp Ltd ("the Holding Company") and its subsidiaries (together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended ("Ind AS") and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr No. | Key Audit Matter | Auditor's response |
|---|---|---|
| 1. | **Transition to Indian Accounting Standards ("Ind AS")**<br><br>The Group has adopted Ind AS notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2019 and the effective date of such transition is April 01, 2018.<br><br>Ind AS is new and complex accounting standards which require considerable judgment and interpretation in its implementation. Further, Ind AS 101 ("First-time Adoption of Indian Accounting | **Principal Audit Procedures**<br><br>We have performed the following audit procedures in order to obtain sufficient audit evidence:<br><br>• Assessed the Group's process to identify the impact of adoption and transition to the new accounting standards;<br><br>• Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of Consolidated Financial Statements; |

| Sr. No. | Key Audit Matter | Auditor's response |
|---|---|---|
| | Standards") allows two categories of exceptions to the first-time adopters which mainly include prohibition to retrospective application of certain requirements of Ind AS and exemption from some requirements of Ind AS. We consider this transition and the required disclosure to be a key audit matter because new accounting policies have been developed by the Group to comply with these standards and judgment. Note 1 "Significant Accounting Policies", Note on "Fair value hierarchy", "Market risk", "Liquidity Risk" and " Reconciliation of Balance Sheet, Total Other Comprehensive Income, Equity and Cash flows as per previous GAAP to Ind AS, to the Consolidated Financial Statements provide detailed information on the significant policies, critical judgment and estimation along with details of exemptions applied from certain requirements under Ind AS based on which these Consolidated Financial Statements are prepared. | • Reviewed the exemptions availed by the Group from certain requirements under Ind AS;<br>• Obtained an understanding of the governance over the determination of key judgments;<br>• Evaluated and tested the key assumptions and judgments adopted by management;<br>• Assessed the disclosures made against the relevant Ind AS; and<br>• Determined the appropriateness of the methodologies and models used along with the responsibility of the outputs. |
| 2. | **Measurement of Investments in accordance with Ind AS 109 "Financial Instruments"**<br><br>On initial recognition, Investments are recognized at fair value, in case of Investments which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the investments.<br><br>The Group's investments are subsequently classified into following categories based the objective of its business model to manage the cash flows and options available in the standard:<br>• Debt instruments at amortised cost<br>• Debt instruments and equity instruments at fair value through profit or loss (FVTPL)<br>• Equity instruments measured at fair value through other comprehensive income FVTOCI.<br><br>The Company has assessed following two business model:<br>- Held to collect contractual cash flows<br>- Realising cash flows through the sale of investments. The Company makes decisions based on the assets' fair values and manages the assets to realise those fair values. | **Principal Audit Procedures**<br><br>• Obtained an understanding of Group's business model assessed in accordance with Ind AS 109.<br>• Evaluated the Group's assessment of business model.<br>• Obtained an understanding of the determination of the measurement of the investments and tested the reasonableness of the significant judgments applied by the management.<br>• Evaluated the design of internal controls relating to the measurement and also tested the operating effectiveness of the aforesaid controls.<br>• Obtained valuation certificate of independent valuer in respect of fair value investments<br>• Ensured that the Group has used valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.<br>• Assessed the appropriateness of the disclosure in the consolidated financial statements in accordance with the applicable financial reporting framework. |

| Sr. No. | Key Audit Matter | Auditor's response |
|---|---|---|
| | Since valuation of investments at fair value involves critical assumptions, significant risk in valuation and complexity in assessment of business model, the valuation of investments as per Ind AS 109 is determined to be a key audit matter in our audit of the consolidated financial statements. | |
| 3. | **Loans and impairment loss allowance**<br><br>The value of loans as at March 31, 2020 is significant and there is a high degree of complexity and judgment involved for the Group in estimating individual and collective credit impairment provisions and write-offs against these loans. The Group's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three stage impairment model ("ECL Model") including the selection and input of forward- looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modeled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions. | **Principal Audit Procedures**<br><br>We have started our audit procedures with understanding of the internal control environment related to impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Group.<br><br>We also assessed whether the impairment methodology used by the Group is in line with Ind AS 109 "Financial instruments" requirements. Particularly, we assessed the approach of the Group regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.<br><br>For loans which are assessed for impairment on a portfolio basis we performed particularly the following procedures:<br><br>• We read and understood the methodology and policy laid down for loans given by the Group.<br><br>• We have verified the existence of recovery process plan in the event of default.<br><br>• We have verified the historical trends of repayment of principal amount of loan and repayment of interest;<br><br>• We tested the reliability of key data inputs and related management controls;<br><br>• We checked the stage classification as at the balance sheet date as per definition of default of the Group;<br><br>• We have assessed the assumptions made by the Company in making provision considering forward looking information. |

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information.The other information comprises the information included in Management Discussion and Analysis, Board's Report and Corporate Governance Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the audit of the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

**Auditors' Responsibility for the audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiaries which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

a) We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of Rs.14,48,41,841 as at March 31, 2020, total revenues of Rs 5,24,914 and net cash flows amounting to Rs. 34,558 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b) The comparative financial information of the Group for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018 included in these consolidated financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards specified under section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us in our report for the year ended March 31, 2018 dated May 26, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated May 20, 2017, respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors..

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided to its directors during the year is in accordance with the provision of Section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

      (i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements. Refer note 29 to the consolidated Ind AS Financial Statements;

      (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

**For J. D. Jhaveri & Associates**
**Chartered Accountants**
**Firm Reg. No.: 111850W**

**Jatin Jhaveri**
**Proprietor**
**M.No.: 045072**
**UDN: 20045072AAAAEP8637**

**Mumbai**
**30th July 2020**

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the M/s. Pioneer Investcorp Ltd (“the Holding Company”) as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiary companies which is incorporated in India, as of that date

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing & maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds & errors, the accuracy and completeness of the accounting records, & the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI (the “Guidance Note”) and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the respective Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion and to the best of our information and according to the explanation given to us and based on the consideration of reporting of other auditors as mentioned in "Other Matter" paragraph, the holding Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

## Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it related to its subsidiary companies which are incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

**For J. D. Jhaveri & Associates**
**Chartered Accountants**
**Firm Reg. No.: 111850W**

**Jatin Jhaveri**
**Proprietor**
**M.No.: 045072**
**UDN: 20045072AAAAEP8637**

**Mumbai**
**30th July 2020**

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020.

| | | Note No. | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Financial Assets** | | | | | |
| Cash & Cash Equivalents | | 3 | **77,734,971** | 154,116,193 | 83,305,448 |
| Bank Balance other than above | | 3 | **49,451,501** | 22,987,758 | 21,174,435 |
| Receivables | | 4 | **1,324,073,513** | 1,060,182,580 | 1,005,735,061 |
| Loans | | 5 | **—** | 9,024 | 8,130 |
| Investments | | 6 | **159,390,972** | 192,496,332 | 199,820,098 |
| Inventories | | 7 | **12,335,658** | 492,227,376 | 306,208,361 |
| Other Financial Assets | | 8 | **71,693,047** | 46,109,137 | 89,004,250 |
| **Total Financial Assets** | **"A"** | | **1,694,679,662** | 1,968,128,400 | 1,705,255,783 |
| **Non-Financial Assets** | | | | | |
| Current Tax Assets (Net) | | 9 | **8,724,874** | 19,406,890 | 5,965,562 |
| Deferred Tax Assets (Net) | | 10 | **39,500,175** | 45,092,279 | 45,687,610 |
| Property, Plant and Equipment | | 11 | **62,034,919** | 56,446,445 | 47,348,326 |
| Other Intangible Assets | | 12 | **689,548** | 1,964,831 | 1,104,283 |
| Other Non-Financial Assets | | 13 | **15,775,349** | 17,784,295 | 21,980,821 |
| **Total Non-Financial Assets** | **"B"** | | **126,724,865** | 140,694,740 | 122,086,602 |
| **Total Assets** | **"A" + "B"** | | **1,821,404,527** | 2,108,823,140 | 1,827,342,385 |
| **EQUITIES & LIABILITIES** | | | | | |
| **Financial Liabilites** | | | | | |
| Trade Payable | | | | | |
| total outstanding dues of micro enterprises & small enterprises | | | | | |
| total outstanding dues of creditors other than micro enterprises & small enterprises | | 14 | **30,571,185** | 21,670,617 | 42,531,523 |
| Debt Securities | | | **—** | — | — |
| Borrowings (Other than Debt Securities) | | 15 | **404,214,551** | 730,892,423 | 458,743,039 |
| Deposits | | 16 | **20,000,000** | 20,000,000 | 20,000,000 |
| Other Financial Liabilites | | 17 | **30,144,648** | 23,996,139 | 10,449,436 |
| | **"A"** | | **484,930,384** | 796,559,179 | 531,723,998 |
| **Non-Fianancial Liabilties** | | | | | |
| Porvisions | | 18 | **28,886,357** | 27,332,477 | 26,651,860 |
| Other Non-Financial Liabilites | | 19 | **4,607,670** | 14,269,328 | 4,575,884 |
| | **"B"** | | **33,494,027** | 41,601,805 | 31,227,744 |
| **Total Liabililites** | **"I" - "A" + "B"** | | **518,424,411** | 838,160,984 | 562,951,742 |
| **Equity** | | | | | |
| Equity Share Capital | | 20 | **128,946,972** | 128,946,972 | 128,946,972 |
| Other Equity | | 21 | **1,174,033,144** | 1,141,715,184 | 1,135,443,671 |
| | **"II"** | | **1,302,980,116** | 1,270,662,156 | 1,264,390,643 |
| **Total Equity & Liabilites** | **"I" +"II"** | | **1,821,404,527** | 2,108,823,140 | 1,827,342,385 |

The accompanying notes are an integral part of the Financial Statements

As per report of even date attached
**For J.D. Jhaveri & Associates**
Chartered Accountants
Firm Reg. No.: 111850W

**Jatin Jhaveri**
Proprietor
M.No.: 045072
UDIN: 20045072AAAAEP8637
Mumbai, 30th July, 2020

**G.M.Gandhi**
Managing Director
(DIN - 00008057)

**A.B.Desai**
Director
(DIN - 01488287)

**Sanjay Kabra**
CFO

**A.T.Krishnakumar**
Director
(DIN - 00926304)

**K.C.Maniar**
Director
(DIN - 06926167)

**A.J.Chandra**
Company Secretary
Mumbai, 30th July, 2020

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020.

| | Note No. | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|---|
| **Revenue from operations** | | | |
| Fee Income | 22 | 64,150,087 | 95,845,927 |
| Income from Trading in Securities | 23 | 330,101,098 | 274,998,803 |
| Net gain on fair value changes | 24 | 29,091,498 | (13,534,829) |
| Other Income | 25 | 5,492,541 | 6,105,342 |
| **Total Income** | | 428,835,224 | 363,415,243 |
| **EXPENSES** | | | |
| Finance Cost | 26 | 106,106,209 | 78,091,333 |
| Employee Benefit Expenses | 27 | 173,666,652 | 199,677,020 |
| Depreciation and Amortization Cost | 11 | 12,415,343 | 12,033,628 |
| Other Expenses | 28 | 86,780,004 | 73,193,216 |
| **Total Expenses** | | 378,968,208 | 362,995,197 |
| **PROFIT/(LOSS) BEFORETAX** | | 49,867,016 | 420,047 |
| **Tax Expense** | | | |
| Current Tax | | (1,665,312) | (3,443,797) |
| Earlier Years Tax | | (11,492,865) | 5,868,221 |
| Deferred Tax | | (5,593,457) | (639,511) |
| **PROFIT/(LOSS) AFTER TAX** | | 31,115,544 | 2,204,960 |
| **Other comprehensive income** | | | |
| I. Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans | | 602,697 | 3,206,183 |
| ii. Income tax relating to items that will not be reclassified to profit or loss | | (151,688) | (1,056,957) |
| iii. Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans | | 751,409 | 1,917,322 |
| iv. Income tax relating to items that will not be reclassified to profit or loss | | | |
| Other Comprehensive Income | | 1,202,419 | 4,066,548 |
| **Total comprehensive income** | | 32,317,963 | 6,271,508 |
| **Earning Per Equity Share** | | | |
| Basic/Diluted earning per share | 31 | 2.53 | 0.18 |

Significant accounting policies 1-2

The accompanying notes are an integral part of the Financial Statements

As per report of even date attached
**For J.D. Jhaveri & Associates**
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Firm Reg. No.: 111850W

**Jatin Jhaveri**
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**A.T.Krishnakumar**
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(DIN - 00926304)

**K.C.Maniar**
Director
(DIN - 06926167)

**A.J.Chandra**
Company Secretary
Mumbai, 30th July, 2020

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2020.

| | | For the Year 31.03.2020 | | For the Year 31.03.2019 |
|---|---|---|---|---|
| **A CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Profit before tax** | | 49,867,016 | | 420,047 |
| Adjustments for : | | | | |
| Depreciation and amortisation expenses | 12,415,343 | | 12,033,628 | |
| Finance costs | 106,106,209 | | 78,091,333 | |
| Fixed Assets written off | 1,104,283 | | — | |
| Rent received | (120,000) | | (120,000) | |
| Interest received | (4,258,474) | | (5,985,342) | |
| Profit on Sale of Investments | (40,634,115) | | (2,032,049) | |
| Ind AS adjustment (transition reserve) | 1,202,419 | | 4,066,548 | |
| | | 75,815,665 | | 86,054,118 |
| **Operating Profit Before Working Capital Changes** | | 125,682,681 | | 86,474,165 |
| Changes in working capital: | | | | |
| Inventories | 479,891,719 | | (186,019,015) | |
| Trade receivables | (263,890,933) | | (54,447,519) | |
| Loans | 9,024 | | (894) | |
| Other Current Assets | (23,574,963) | | 47,091,639 | |
| Current Liability | (3,513,148) | | 23,240,147 | |
| Provisions & Payables | 10,454,448 | | (20,180,290) | |
| | | 199,376,146 | | (190,315,932) |
| **Cash generated from operations** | | 325,058,828 | | (103,841,767) |
| a.Direct Taxes (Paid) | | (2,476,000) | | (11,016,904) |
| **Net cash flow from / (used in) operating activities (A)** | | 322,582,828 | | (114,858,671) |
| **B Cash flow from / (used in) investing activities** | | | | |
| a.Purchase Of Property , plant and equipment | (17,832,817) | | (21,992,295) | |
| b.Purchase of Investments | (49,564,798) | | (53,482,610) | |
| c.Sale of Investments | 123,302,916 | | 62,794,251 | |
| d.Rent received | 120,000 | | 120,000 | |
| e.Interest received | 4,258,474 | | 5,985,342 | |
| **Net Cash used in Investing Activities (B)** | | 60,283,775 | | (6,575,312) |
| **C Cash flow from / (used in) financing activities** | | | | |
| a. Borrowings -Net of Repayment | (326,677,873) | | 272,149,384 | |
| b. Interest Paid | (106,106,209) | | (78,091,333) | |
| | | (432,784,082) | | 194,058,051 |
| **Net cash flow from / (used in) financing activities (c)** | | (432,784,082) | | 194,058,051 |
| **Net increase / (decrease) in Cash and cash equivalents (A+B+C)** | | (49,917,479) | | 72,624,068 |
| Cash and cash equivalents at the beginning of the year | | 177,103,951 | | 104,479,883 |
| Cash acquired on amalgamation | | — | | — |
| Cash and cash equivalents at the end of the year | | 127,186,472 | | 177,103,951 |

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2020.

| | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|
| **Cash and Cash equivalent as per above comprises of the following** | | |
| **Cash and cash equivalent as per Note no. 3** | | |
| - cash in hand | 77,734,971 | 154,116,193 |
| -Balances with Banks (on current accounts) | 49,451,501 | 22,987,758 |
| | 127,186,472 | 177,103,951 |
| Bank overdraft / cash credit (Note 15B) | | |
| Balance as per statement of cash flows | 127,186,472 | 177,103,951 |

Figures in brackets represent outflows

**Notes :**

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

2. Additon to property , plant and equipment include movements of capital work progress during the year.

As per report of even date attached
**For J.D. Jhaveri & Associates**
Chartered Accountants
Firm Reg. No.: 111850W

**Jatin Jhaveri**
Proprietor
M.No.: 045072
UDIN: 20045072AAAAEP8637
Mumbai, 30th July, 2020

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**A.T.Krishnakumar**
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(DIN - 00926304)

**K.C.Maniar**
Director
(DIN - 06926167)

**A.J.Chandra**
Company Secretary
Mumbai, 30th July, 2020

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

### A Equity Share Capital

| Particulars | Number of Shares | Amount |
|---|---|---|
| As At 1st April 2018 | **12,296,908** | 122,969,080 |
| Issue of Share Capital | | |
| As At 31st March 2019 | **12,296,908** | 122,969,080 |
| Issue of Share Capital | | |
| As At 31st March 2020 | **12,296,908** | 122,969,080 |

### B. Other Equity

| Particulars | Capital Reserve | Capital Redemption Reserve | Capital (Amalgamation) Reserve Account | Security Premium | General Reserve | Retained Earnings | Actuarial gain/ (loss) on defined benefits obligations | Fair Value through OCI | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Restated Balance at 1st April, 2018** | **135,132,166** | **30,000,000** | **119,483,021** | **111,192,453** | **313,828,550** | **412,301,479** | **1,266,806** | **12,239,193** | **1,135,443,668** |
| Impact of Equity shares FVTOCI | — | — | — | — | — | — | — | 1,917,322 | 1,917,322 |
| Impact of Actuarial Gain/ Loss during the Year | — | — | — | — | — | — | 2,149,226 | — | 2,149,226 |
| Profit for the period | — | — | — | — | — | 2,204,960 | — | — | 2,204,960 |
| Total Comprehensive Income (Net of Tax) | — | — | — | — | — | — | — | — | — |
| Any other change | — | — | — | — | — | — | — | — | — |
| Transfer from Retained Earnings to General Reseve | — | — | — | — | — | — | — | — | — |
| Reversal of Deferred Tax Asset on account of Intangible assets | — | — | — | — | — | — | — | — | — |
| **Balance at 31st March, 2019** | **135,132,166** | **30,000,000** | **119,483,021** | **111,192,453** | **313,828,550** | **414,506,439** | **3,416,032** | **14,156,515** | **1,141,715,176** |

Continue ...

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

| Particulars | Capital Reserve | Capital Redemption Reserve | Capital (Amalgamation) Reserve Account | Security Premium | General Reserve | Retained Earnings | Actuarial gain/ (loss) on defined benefits obligations | Fair Value through OCI | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Restated Balance at 1st April, 2019** | **135,132,166** | **30,000,000** | **119,483,021** | **111,192,453** | **313,828,550** | **414,506,439** | **3,416,032** | **14,156,515** | **1,141,715,176** |
| Impact of Equity shares FVTOCI | — | — | — | — | — | — | — | 751,409 | 751,409 |
| Impact of Actuarial Gain/ Loss during the Year | — | — | — | — | — | — | 451,009 | — | 451,009 |
| Profit for the period | — | — | — | — | — | 31,115,544 | — | — | 31,115,544 |
| Total Comprehensive Income (Net of Tax) | — | — | — | — | — | — | — | — | — |
| Any other change | — | — | — | — | — | — | — | — | — |
| Transfer from Retained Earnings to General Reseve | — | — | — | — | — | — | — | — | — |
| Reversal of Deferred Tax Asset on account of Intangible assets | — | — | — | — | — | — | — | — | — |
| **Balance at 31st March, 2020** | **135,132,166** | **30,000,000** | **119,483,021** | **111,192,453** | **313,828,550** | **445,621,983** | **3,867,041** | **14,907,925** | **1,174,033,139** |

**Significant accounting policies 1-2**

**The accompanying notes are an integral part of the Financial Statements**

As per report of even date attached

**For J.D. Jhaveri & Associates**
Chartered Accountants
Firm Reg. No.: 111850W

**Jatin Jhaveri**
Proprietor
M.No.: 045072
UDIN: 20045072AAAAEP8637
Mumbai, 30th July, 2020

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Director
(DIN - 01488287)

**K.C.Maniar**
Director
(DIN - 06926167)

**Sanjay Kabra**
CFO

**A.J.Chandra**
Company Secretary

Mumbai, 30th July, 2020

## NOTE - 1

## CORPORATE INFORMATION

Pioneer Investcorp Limited ("the Company") is a listed Company having its registered office at 1218, Maker Chambers V, 12th Floor, Nariman Point, Mumbai - 400021 and incorporated under the provisions of the Companies Act,1956. The Company is a SEBI Registered Category I Merchant Banker. The Financial statements are approved for issue by the Company's Board of Directors on July 30, 2020.

## NOTE - 2

## SIGNIFICANT ACCOUNTING POLICIES

### 2.01 Basis of Consolidation

### a) Basis of Preparation

The Standalone Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended March 31, 2020 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 Indian Accounting Standard (“Ind AS”) 110- 'Consolidated Financial Statements' issued by the Council of The Institute of Chartered Accountants of India.

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

### b) Principles of Preparation

The financial statements of the group companies of Pioneer Investcorp Limited are prepared according to uniform accounting policies, in accordance Indian Accounting Standards ("Ind AS"). The effects of all inter-group transactions and balances have been eliminated on consolidation.

The financial statements have been presented in accordance with schedule III-Division III General Instructions for Preparation of financial statements of a Non-Banking Financial Company (NBFC) that is required to comply with Ind AS.

For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies(Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31,2020 are the first financials which the Company has prepared in accordance with IndAS.

### c) List of Subsidiaries Consolidated

The Standalone Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended March 31, 2020 of following subsidiaries are included in consolidation.

I. Pioneer Wealth Management Services Limited

II. Pioneer Money Management Limited

III. Pioneer Investment Advisory Services Limited

IV. Pioneer Commodity Intermediaries Private Limited

V. Infinity.com Financial Securities Limited

VI. Pioneer Fundinvest Pvt. Ltd.

**Refer to note 40 for information on how the Company has adopted Ind AS.**

## 2.02 First-time adoption of Ind AS

Ind AS 101 requires that all Ind AS effective for the first Ind AS financial statements, be applied consistently and retrospectively for all fiscal years presented. However, this standard provides some exception and exemption to this general requirement in specific cases.

The application of relevant exception and exemption are

**Exceptions to retrospective application of other Ind AS**

**(a) Estimates:**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies),unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates considered in accordance with Previous GAAP.

**(b) Ind AS 109-Financial Instruments (Classification and measurement financial assets):**

Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to IndAS. The Company has evaluated the facts and circumstances existing on the date of transition to IndAS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.

**Exemptions from retrospective application of Ind AS**

(a) **Ind AS 16 Property, Plant and Equipment/ Ind AS 38 Intangible Assets :** If there is no change in the functional currency, an entity may elect to measure an item of property, plant and equipment /Intangible assets at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment/intangible assets by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.

The Company has elected to continue with the carrying amount for all of its Property, Plant and Equipment and Intangible Assets ,measured as per Previous GAAP and use that as its deemed cost as at the date of transition i.e. April 01, 2018

(b) **Ind AS 27 Separate Financial statements:** An entity is required to account for its investments in subsidiaries, joint ventures and associates either:

(a) at cost; or

(b) in accordance with Ind AS 109.

Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiaries at deemed cost being carrying value as previous GAAP.

(c) **Ind AS 109-Financial Instruments:** Ind AS 109 permits an entity to designate a financial liability and financial asset (meeting certain criteria) at fair value through profit or loss. A financial liability and financial asset shall be designated at fair value through profit or loss, on the basis of facts and circumstances that exist at the date of transition.

## 2.03 Functional and presentation currency

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). Indian rupee is the functional currency of the Company.

## 2.04 Use of estimates

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognized in the financial statements are:

- Valuation of financial instruments

- Measurement of defined employee benefit obligation

- Useful life of property, plant and equipment

- Useful life of investment property

- Provisions

**2.05 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management varies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature,characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**2.06 Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Ind AS 115 "Revenue from contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

A) Identify the contract(s) with a customer;

B) Identify the performance obligations;

C) Determine the transaction price;

D) Allocate the transaction price to the performance obligations;

E) Recognise revenue when or as an entity satisfies performance obligation.

**Revenue from operations**

**Sale of Services**

**Merchant banking fees**

Revenue from merchant banking fees includes arranger fees, advisory fees, lead manager fees are recognized when the Company satisfies performance obligation. Lead manager fees are recognised over a point of time. The Company measures its progress towards satisfaction of performance obligation based on output method i.e. milestone basis. Revenue from arranger services and advisory services are recognised point in time.

**Brokerage**

Revenue from brokerage is recognised point in time.

**Interest Income**

Under Ind AS 109, Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through Profit and loss (FVTPL).

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instruments in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premium or discounts.

   Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

**Net gain on Fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at Fair value through Other Comprehensive Income ("FVTOCI") is recognised in net gain\loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Statement of Profit and Loss.

**Dividend Income**

Dividend income is recognised

a. When the right to receive the payment is established.

b. it is probable that the economic benets associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

**Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

## 2.07 Taxes

The tax expense for the period comprises of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised in the other comprehensive income or equity. In which case, the tax is also recognised in other comprehensive income or equity.

**Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss,either in other comprehensive income or directly in equity. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions, where appropriate.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statementsand the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised , based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that suffcient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

## 2.08 Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

**Subsequent Cost**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably

**Depreciation**

Depreciation is calculated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013.

Leasehold improvements are amortised over the lease period.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Estimated useful life of the assets is as under:

| Class of Assets | Useful life in Years |
|---|---|
| Buildings | 60 |
| Computers | 3 |
| Office Equipment | 5 |
| Furniture and Fixtures | 10 |
| Vehicles | 8 |
| Software | 3 |

**Derecognition**

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

Upon first time adoption of IND-AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount at its deemed cost on the date of transition to IND-AS i.e. April 01, 2018.

**2.09 Intangible assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any.

The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

The Company has elected to continue with the previous GAAP carrying amount of all intangible assets as deemed cost at the date of transition i.e. April 01, 2018

**Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic bene ts embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

**Derecognition**

An item of intangible asset and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognized.

Intangible assets comprising of Software are amortised on a straight line basis over its estimated useful life or maximum 3 years, whichever is shorter.

## 2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

## 2.11 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

A contingent assets, where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in Ind AS 37.

## 2.12 Impairment of assets

### a) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The Company applies a simplified approach in calculating Expected Credit Losses (ECLs) on trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of profit or loss

### b) Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Pro t and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## 2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

**Amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ("EIR") method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

**Fair value through profit and loss (FVTPL):** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, except interest income and dividend income if any, recognized as "Net gain on fair value changes " in the Statement of Profit and Loss.

**Fair value through other comprehensive income (FVOCI):** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period, the Company changes its business model for managing financial assets.

**Trade Receivables and Loans:**

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

**Debt Instruments:**

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") till derecognition on the basis of (i) the entity's business model for managing the fnancial assets and (ii) the contractual cash fow characteristics of the financial asset.

(a) **Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ("EIR") method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) **Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash fows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassifed from the equity to “other income” in the Statement of Profit and Loss.

(c) **Measured at fair value through profit or loss:** A financial asset not classifed as either amortised cost or FVTOCI, is classified as FVTPL. Such Financial assets are measured at fair value with all changes in fair value, except interest income and dividend income if any, recognized as “Net gain on fair value changes “ in the Statement of Profit and Loss. Interest income /dividend income on financial assets measured at FVTPL is recognised separately from "net gain on fair value changes” in the statement of profit and loss.

**Equity Instruments:**

All investments in equity instruments other than investments in subsidiary companies classified under financial assets are initially measured at fair value , the Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

**Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

**Financial Liabilities:**

**Initial recognition and measurement**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and in the case of borrowings trade payables and other financial liabilities, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade payables, deposits and other financial liabilities.

**Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

**(a) Borrowings:** Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Pro t and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

**(b) Trade and Other Payables:** These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

**(c) Deposits:** They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

**(d) Financial guarantee contracts:** The Company on case to case basis elects to account for financial guarantee contracts as a financial instruments or insurance contracts, as specified in Ind AS 109 on Financial instruments or Ind AS 104 on Insurance contracts. The Company has regarded its financial guarantee contracts as insurance contracts. At the end of each reporting period the Company performs liability liquidity test ( i.e. it assesses the likelihood of a pay out based on current undiscounted estimates of future cash flows ), and any deficiency is recognised in the statement of profit and loss.

**Derecognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

## 2.14 Investments in equity instruments of subsidiaries

Investments in equity instruments including deemed equity instruments of subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

Upon first time adoption of IND-AS, the Company has elected to measure all its Investments in equity instruments of subsidiaries at the Previous GAAP carrying amount at its deemed cost on the date of transition to IND-AS i.e. April 01, 2018.

## 2.15 Segment Reporting:

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

**Segment Policies:**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

**Segment information:**

Companies whole business is being considered as one segment

## 2.16 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above,as they are considered an integral part of the Company's cash management

## 2.17 Retirement benefits

### i) Defined contribution plans (Provident fund)

In accordance with Indian Law, eligible employees receive benefits from Provident Fund and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

### ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumsump payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Company recognises all remeasurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

### iii) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### iv) Compensated absences

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided at the end of year and charged to the Statement of Profit and Loss.

## 2.18 Lease

### Company as a Leasee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### Right of use assets

The Company as a lessee The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term or useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sale and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 2.19 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

## 2.20 Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from 1 April, 2020.

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| **Note No.: 3** | | | |
| **Cash & Cash Equivalants** | | | |
| Cash On Hand | 1,079,602 | 576,724 | 393,158 |
| **Balance with Banks** | | | |
| In Current Accounts | 76,655,369 | 153,539,469 | 82,912,291 |
| | 77,734,971 | 154,116,193 | 83,305,449 |
| (b) Bank Blances other than Cash & Cash Equivalants | | | |
| Fixed Deposits with Banks* | 49,451,501 | 22,987,758 | 21,174,435 |
| | 49,451,501 | 22,987,758 | 21,174,435 |

* Held as Margin Money against Bank Guarantees with Exchanges.

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| **Note No.: 4** | | | |
| **Trade Receivables** | | | |
| Trade Receivables considered good- unsecured | | | |
| Considered Good, Unsecured | | | |
| date they are due | 7,485,642 | 15,119,039 | 13,956,498 |
| Others | 1,316,587,871 | 1,045,063,541 | 991,778,563 |
| | 1,324,073,513 | 1,060,182,580 | 1,005,735,061 |
| **Note No.: 5** | | | |
| **Loans** | | | |
| '(A) Loan to Subsidiaries | — | 9,024 | 8,130 |
| TOTAL (A) (Gross) | — | 9,024 | 8,130 |
| Less: Impairment Loss Allowance | — | — | — |
| TOTAL (A) (Net) | — | 9,024 | 8,130 |
| (B) | | | |
| (i) Secured | — | — | — |
| (ii) Unsecured | — | 680,132 | 8,130 |
| TOTAL (B) (Gross) | — | 680,132 | 8,130 |
| Less: Impairment Loss Allowance | — | — | — |
| TOTAL (B) (Net) | — | 680,132 | 8,130 |
| (C)Loan in India | | | |
| (I) Public Sector | — | — | — |
| (ii) Others | — | 680,132 | 8,130 |
| TOTAL (C) (Gross) | — | 680,132 | 8,130 |
| Less: Impairment Loss Allowance | — | — | — |
| TOTAL (C) (Net) | — | 680,132 | 8,130 |

**Note No.: 6 Investments**

| Investments | No of Shares 31.03.2020 | 31.03.2019 | 31.03.2018 | Amount 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|---|---|---|
| **A At Fair Value through Other Comprehesive Income** | | | | | | |
| i In Other Companies (Unquoted) | | | | | | |
| Pioneer Insurance & Reinsurance Brokers Pvt Ltd. | 500,000 | 250,000 | 250,000 | 16,139,989 | 15,388,579 | 12,411,481 |
| Pioneer Power Infra Limited | 9,121,200 | 9,121,200 | 9,121,200 | 127,711,055 | 127,711,055 | 127,751,981 |
| Siddhi Portfolio Services Pvt Ltd. | 970,000 | 970,000 | 1,720,000 | 10,953,681 | 10,953,681 | 19,472,531 |
| Total | | | | 154,804,725 | 154,053,315 | 159,635,993 |
| **B At Fair Value through Profit & Loss** | | | | | | |
| **ii In Equity Shares (Quoted)** | | | | | | |
| Arihant Foundations & Housing Ltd. | 243,155 | 77,974 | 77,974 | 3,695,956 | 2,257,347 | 3,699,866 |
| Aditya Birla Capital Ltd. | — | 243,600 | 243,600 | — | 23,531,760 | 35,553,420 |
| Adani Green Energy Ltd. | 2,000 | 60,880 | — | 307,300 | 2,258,648 | — |
| Starlog Enterprises Ltd. | 21,183 | — | — | 402,477 | — | — |
| Jubilant Life Sciences Ltd. | — | 14,995 | — | — | 9,968,676 | — |
| Divine Multimedia (India) Ltd. | 176,602 | 176,602 | 176,602 | 70,641 | 70,641 | 70,681 |
| Praxis Home Retail Ltd. | 95 | 95 | 95 | 5,824 | 17,551 | 17,357 |
| Capacite Infraprojects Ltd. | — | — | 2,750 | — | — | 830,225 |
| Indiabulls Ventures Ltd. | 1,000 | 1,000 | — | 104,050 | 325,350 | — |
| Total | | | | 4,586,247 | 38,429,973 | 40,171,549 |
| **iii In Mutual Funds (quoted)** | | | | | | |
| Reliance Mutual Fund- ETF Liquid Bees | — | 13 | 13 | — | 13,043 | 12,555 |
| Total | | | | 159,390,972 | 192,496,332 | 199,820,098 |

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| **Note No.: 7** | | | |
| Inventories | | | |
| Shares / Securities / Bonds | 12,335,658 | 492,227,376 | 306,208,361 |
| | 12,335,658 | 492,227,376 | 306,208,361 |
| **Note No.: 8** | | | |
| Other Financial Assets | | | |
| Security Deposit | 34,994,725 | 35,421,061 | 41,808,544 |
| Advance to employees | 33,067,889 | 7,662,172 | 3,816,222 |
| Other Receivables | 3,630,433 | 3,025,904 | 43,379,485 |
| | 71,693,047 | 46,109,137 | 89,004,250 |
| **Note No.: 9** | | | |
| Current Tax Assets | | | |
| Advance Tax (Net) | 8,724,874 | 19,406,890 | 5,965,562 |
| | 8,724,874 | 19,406,890 | 5,965,562 |
| **Note No.: 10** | | | |
| Deferred Tax (Assets) | | | |
| On Account of Depreciation Diff | 4,103,336 | 1,524,362 | 2,114,980 |
| On Account of 43B disallowances | 7,270,190 | 8,855,389 | 8,590,789 |
| On Account of B/f Losses | 26,324,734 | 33,027,224 | 33,273,362 |
| On Lease Liability | 327,639 | 367,868 | 100,736 |
| On Fair value impact of Financial Liablity | 1,029,949 | 1,317,436 | 1,607,743 |
| | 39,055,848 | 45,092,279 | 45,687,610 |

Note No.: 11

PROPERTY, PLANT AND EQUIPMENT

| | Office Premises | Leasehold Office Premises | Office Equipments | Furniture & Fixtures | Vehicles | Right to use Asset Ind AS | Total |
|---|---|---|---|---|---|---|---|
| **Gross block (Deemed cost - refer note below)** | | | | | | | |
| **As at 1st April, 2018** | **14,328,820** | **7,304,228** | **60,854,831** | **26,927,322** | **40,712,685** | **7,698,149** | **157,826,035** |
| Addition | — | — | 735,029 | 3,971,508 | 1,402,522 | 14,983,236 | 21,092,295 |
| Disposal | — | — | — | — | — | — | — |
| **As at 31st March, 2019** | **14,328,820** | **7,304,228** | **61,589,860** | **30,898,830** | **42,115,207** | **22,681,385** | **178,918,330** |
| Addition | — | — | 1,145,026 | 1,004,731 | 9,375,843 | 6,466,802 | 17,992,402 |
| Disposal | — | — | — | — | — | 5,999,549 | 5,999,549 |
| **As at 31st March, 2020** | **14,328,820** | **7,304,228** | **62,734,886** | **31,903,561** | **51,491,050** | **23,148,638** | **190,911,183** |
| **Accumlated Depreciation** | | | | | | | |
| **As at 1st April, 2018** | **4,459,346** | **7,304,228** | **58,222,195** | **24,877,459** | **11,757,534** | **3,856,947** | **110,477,709** |
| Addition | 186,079 | — | 926,642 | 491,136 | 4,260,472 | 6,129,847 | 11,994,176 |
| Disposal | — | — | — | — | — | — | — |
| **As at 31st March, 2019** | **4,645,425** | **7,304,228** | **59,148,837** | **25,368,595** | **16,018,006** | **9,986,794** | **122,471,885** |
| Addition | 226,873 | — | 872,034 | 621,977 | 4,899,361 | 5,783,684 | 12,403,929 |
| Disposal | — | — | — | — | — | 5,999,549 | 5,999,549 |
| **As at 31st March, 2020** | **4,872,298** | **7,304,228** | **60,020,871** | **25,990,572** | **20,917,367** | **9,770,929** | **128,876,265** |
| **Net Block** | | | | | | | |
| **As at 1st April, 2018** | **9,869,474** | — | **2,632,636** | **2,049,863** | **28,955,151** | **3,841,202** | **47,348,326** |
| **As at 31st March, 2019** | **9,683,395** | — | **2,441,023** | **5,530,235** | **26,097,201** | **12,694,591** | **56,446,445** |
| **As at 31st March, 2020** | **9,456,522** | — | **2,714,015** | **5,912,989** | **30,573,683** | **13,377,709** | **62,034,918** |

Note No.: 12

OTHER INTANGIBLE ASSETS

| | Software | Total |
|---|---|---|
| **Gross block (Deemed cost - refer note below)** | | |
| As at 1st April, 2018 | 26,648,094 | **26,648,094** |
| Addition | 900,000 | **900,000** |
| Disposal/ Reversal | — | — |
| As at 31st March, 2019 | 27,548,094 | **27,548,094** |
| Addition | — | — |
| Disposal/ Reversal | 26,648,094 | **26,648,094** |
| As at 31st March, 2020 | 900,000 | **900,000** |
| **Gross block (Deemed cost - refer note below)** | | |
| As at 1st April, 2018 | 25,543,811 | **25,543,811** |
| Addition | 39,452 | **39,452** |
| Disposal/ Reversal | — | — |
| As at 31st March, 2019 | 25,583,263 | **25,583,263** |
| Addition | 171,000 | **171,000** |
| Disposal/ Reversal | 25,543,811 | **25,543,811** |
| As at 31st March, 2020 | 210,452 | **210,452** |
| **Net Block** | | |
| **As at 1st April, 2018** | 1,104,283 | **1,104,283** |
| **As at 31st March, 2019** | 1,964,831 | **1,964,831** |
| **As at 31st March, 2020** | 689,548 | **689,548** |

| | 31.03.2020<br>₹ | 31.03.2019<br>₹ | 31.03.2018<br>₹ |
|---|---|---|---|
| **Note No.: 13** | | | |
| Other Non Financial Assets | | | |
| Balance with Govt. / Statutory Authorities | **5,187,792** | 5,006,070 | 7,864,003 |
| Prepaid Expenses | **10,587,556** | 12,778,225 | 14,116,818 |
| | **15,775,349** | 17,784,295 | 21,980,821 |
| **Note No.: 14** | | | |
| Payables | | | |
| - Trade Payable | **30,571,185** | 21,670,617 | 42,531,523 |
| | **30,571,185** | 21,670,617 | 42,531,523 |

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| **Note No.: 15** | | | |
| **Borrowing other than Debt Securities** | | | |
| **Term Loans** | | | |
| From Bank | 154,326,145 | 156,757,336 | 19,929,655 |
| From Others | 119,240,048 | 6,241,855 | 7,329,638 |
| **Demand Loans** | | | |
| From Bank | 122,843,136 | 539,018,601 | 431,483,746 |
| From Others | 7,805,221 | 28,874,631 | — |
| | 404,214,551 | 730,892,423 | 458,743,039 |
| Secured* | 396,409,329 | 702,017,793 | 458,743,039 |
| Unsecured | 7,805,222 | 28,874,631 | — |
| | 404,214,551 | 730,892,423 | 458,743,039 |

*Secured Against

(I) Term loans are secured against Personal Guarantee of Managing Director & mortagage of property owning by company & third parties. Vehicle loan are secured by hypothecation of vehicles.

(ii) Demand Loans are secured against pledge of securities/bonds. The loan is repayable on demand

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| **Note No.: 16** | | | |
| Deposits | | | |
| Lease Rent Deposits | 20,000,000 | 20,000,000 | 20,000,000 |
| | 20,000,000 | 20,000,000 | 20,000,000 |
| **Note No.: 17** | | | |
| Other Financial Liabilities | | | |
| Expenses Payable | 14,667,987 | 9,914,173 | 5,961,540 |
| Unclaimed Dividends | — | 135,386 | 339,494 |
| Finance lease liability | 14,679,520 | 13,882,373 | 4,147,767 |
| For Interest | — | 26,723 | — |
| For Others | 797,141 | 37,484 | 634 |
| | 30,144,648 | 23,996,139 | 10,449,436 |
| **Note No.: 18** | | | |
| Provisions | | | |
| Provision for Employee Benefits | | | |
| Gratuity (refer note - 32) | 28,885,730 | 26,130,623 | 25,561,801 |
| Others | 627 | 1,201,854 | 1,090,060 |
| | 28,886,357 | 27,332,477 | 26,651,860 |
| **Note No.: 19** | | | |
| Other Non-Financial Liabilites | | | |
| Duties & Taxes Payable | 4,607,670 | 14,269,328 | 4,575,884 |
| | 4,607,670 | 14,269,328 | 4,575,884 |

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| **Note No.: 20** | | | |
| **Equity Share Capital** | | | |
| Authorised Capital:* | | | |
| 25,000,000 Equity Shares of Rs.10/- each (Previous Year: 25,000,000 Equity Shares of Rs.10/- each) | **250,000,000** | 250,000,000 | 250,000,000 |
| | **250,000,000** | 250,000,000 | 250,000,000 |
| **Issued Subscribed & Paid up:** | | | |
| 1,22,96,908 Equity Shares of Rs.10/- each (Previous Year: 1,22,96,908 Equity Shares of Rs.10/- each) | **122,969,080** | 122,969,080 | 122,969,080 |
| Add :Amount paid up on Shares Forfeited | **5,977,892** | 5,977,892 | 5,977,892 |
| Total Issue, Subscribed & Fully Paid up Share Capital | **128,946,972** | 128,946,972 | 128,946,972 |

A) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

| Particulars | March 31, 2020 | | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|---|---|
| | Equity Share | | Equity Share | | Equity Share | |
| | No.of Shares | Amount | No.of Shares | Amount | No.of Shares | Amount |
| Equity | | | | | | |
| No of shares outstanding at the beginning of the year | 12,296,908 | 122,969,080 | 12,296,908 | 122,969,080 | 12,296,908 | 122,969,080 |
| Add: Additional shares issued during the year year | — | — | — | — | — | — |
| No of shares outstanding at the end of the year | **12,296,908** | **122,969,080** | **12,296,908** | **122,969,080** | **12,296,908** | **122,969,080** |

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|
| B) Details of Shareholders holding more than 5% shares in the Company: | | | |
| Gaurang M. Gandhi 75,19,699 (Previous Year 73,76,428) equity shares of Rs 10 fully paid | **61.15%** | 59.99% | 55.64% |

C) Rights attached to equity shares

The company has only one class of issued equity shares having apar value of Rs 10/- per share. Each holder of equity share entitled to one vote per share. The company declares and pays dividend in Indian Rupees

D) Employee Stock Option Scheme-refer note 41

E) The company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during the years immediately preceding 31 March 2020

**Note No. 21**

**Other Equity**

| Sr. No. | Particular | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|---|
| | **Reserves and Surplus** | | | |
| (i) | Capital Reserve | | | |
| | Opening and Closing balance | 135,132,166 | 135,132,166 | 135,132,166 |
| (ii) | Capital Redemption Reserve | | | |
| | Opening and Closing balance | 30,000,000 | 30,000,000 | 30,000,000 |
| (iii) | Capital (Amalgamation) Reserve | | | |
| | Opening and Closing balance | 119,483,021 | 119,483,021 | 119,483,021 |
| (iv) | Securities Premium Account | | | |
| | Opening and Closing balance | 111,192,453 | 111,192,453 | 111,192,453 |
| (v) | Retained Earnings | | | |
| | Opening balance | 414,506,439 | 412,301,479 | — |
| | Add Profit of the Year | 31,115,544 | 2,204,960 | — |
| | Closing balance | 445,621,983 | 414,506,439 | 412,301,479 |
| (vi) | Other Comprehensive Income | | | |
| | Opening balance | 17,572,547 | 13,506,000 | — |
| | Add: Additions During the year | 1,202,419 | 4,066,548 | — |
| | Closing balance | 18,774,966 | 17,572,547 | 13,506,000 |
| (vii) | General Reserve | | | |
| | Opening and Closing balance | 313,828,550 | 313,828,550 | 313,828,550 |
| | Total | 1,174,033,139 | 1,141,715,176 | 1,135,443,668 |

| | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|
| **Note No.: 22** | | |
| Fees and Commission | | |
| Investment Banking and Advisory Fees | 50,813,340 | 81,996,610 |
| Brokerage Income (Net) | 13,062,704 | 12,579,720 |
| Depository Services | 274,043 | 1,269,598 |
| | 64,150,087 | 95,845,927 |
| **Note No.: 23** | | |
| 'Income from Trading in Securities | | |
| Income/(loss) from arbitrage transaction/stock in trade | 359,292,091 | 295,854,347 |
| Loss From Derivatives | (29,190,992) | (20,855,544) |
| | 330,101,098 | 274,998,803 |
| **Note No.: 24** | | |
| Net Gain on fair value changes | | |
| Net gain/(loss) on financial instruments at fair value through profit or loss | — | — |
| Realised gain | 40,705,890 | 2,032,537 |
| Unrealised gain/(loss) | (11,614,392) | (15,567,366) |
| | 29,091,498 | (13,534,829) |
| **Note No.: 25** | | |
| Other Income | | |
| Interest | 4,258,474 | 5,985,342 |
| Rent | 120,000 | 120,000 |
| Sundry Liability Written Back | 1,114,067 | — |
| | 5,492,541 | 6,105,342 |
| **Note No.: 26** | | |
| Finance Costs | | |
| Interest on borrowings | 85,896,850 | 67,854,690 |
| Interest on debt securities | — | — |
| Interest on debt securities | — | — |
| Finance charges on Lease | 1,655,609 | 1,686,120 |
| Interest Others | 8,808,581 | (503,049) |
| Other borrowing cost | 9,745,168 | 9,053,572 |
| | 106,106,209 | 78,091,333 |

| | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|
| **Note No.: 27** | | |
| **Employee Benefit Expenses** | | |
| Salaries & Bonus | 164,544,802 | 188,728,488 |
| Gratuity | 3,092,172 | 5,515,719 |
| Contribution to Provident Fund | 4,169,995 | 3,947,925 |
| Staff Welfare | 1,859,683 | 1,484,888 |
| | 173,666,652 | 199,677,020 |
| **Note No.: 28** | | |
| **Other Expenses** | | |
| Rent | 2,626,535 | 3,408,209 |
| Business Promotion Expenses | 8,943,553 | 10,699,276 |
| Power and Fuel | 714,132 | 894,419 |
| Postage, Telex and Telephones | 3,072,181 | 3,703,623 |
| Directors' Sitting Fees | 280,000 | 230,000 |
| Travelling and Conveyance | 4,198,302 | 7,401,207 |
| Motor Car Expenses | 10,647,180 | 11,297,898 |
| Legal and Professional Charges | 15,290,885 | 9,733,875 |
| CSR Expenses | 1,350,000 | 1,325,000 |
| Membership & Subscription | 6,624,736 | 6,328,025 |
| Service Tax Paid | 8,367,649 | 642,965 |
| Sundry Debit / Credit Balances Written off | 5,786,318 | 61,186 |
| **Auditors' Remuneration:** | | |
| Audit Fees | 653,600 | 653,600 |
| Tax Audit Fees | 50,000 | 50,000 |
| Miscellaneous Expenses | 18,174,933 | 16,763,934 |
| | 86,780,004 | 73,193,216 |

| | 31.03.2020 ₹ | 31.03.2019 ₹ | 01.04.2018 ₹ |
|---|---|---|---|
| **Note No.: 29** | | | |
| **Contingent Liabilities** | | | |
| Corporate guarantee given to a bank in respect of working capital facility, cash credit and term loan facility taken by a subsidiary company | 74,000,000 | 74,000,000 | 214,000,000 |
| In respect of Income Tax Demands | 19,573,981 | — | — |
| In respect of Service Tax Demands | — | 27,525, 349 | 27,525, 349 |
| | 93,573,981 | 101,525,349 | 241,525,349 |

| | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|
| **Note No.: 30** | | |
| **DISAGGREGATED REVENUE INFORMATION** | | |
| The table below represents disaggregation of Company's revenue from contracts with the customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors. | | |
| **Type of goods or service** | | |
| Depository Services | 274,043 | 1,269,598 |
| Arranger and Advisory fees | 48,813,340 | 81,996,610 |
| Brokerage | 14,802,263 | 12,380,991 |
| **Total revenue from contracts with the customers** | 63,615,603 | 94,377,601 |
| **Geographical markets** | | |
| India | 63,615,603 | 94,377,601 |
| Outside India | — | — |
| **Total revenue from contracts with the customers** | 63,615,603 | 94,377,601 |
| **Relation with customer** | | |
| Non related party | 63,615,603 | 94,377,601 |
| Related Party | — | — |
| **Total revenue from contracts with the customers** | 63,615,603 | 94,377,601 |
| **Timing of revenue recognition** | | |
| Service transferred over a period of time | — | — |
| Service transferred over a point of time | 63,615,603 | 94,377,601 |
| **Total revenue from contracts with the customers** | 63,615,603 | 94,377,601 |

Geographical revenue is allocated based on the location of the services.

| | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|
| **NOTE - 31** | | |
| **Earning per share** | | |
| Profit for the year as per statement of profit and loss (A) | 31,115,544 | 2,204,960 |
| Weighted average number of Equity Share outstanding during the year for basic and diluted earning per share (B) | 12,296,908 | 12,296,908 |
| Basic and diluted earnings per share (A/B) | 2.53 | 0.18 |
| Nominal value of share (Rs) | 10.00 | 10.00 |

**Note No.: 32**

**AS PER IND AS 19 "EMPLOYEE BENEFITS",THE DISCLOSURES AS DEFINED ARE GIVEN BELOW:**

**Contribution to Defined Contribution Plan , recognised as expense for the year is as under :**

| Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|
| Employer's Contribution to Provident Fund | **2,543,151** | 3,068,357 |

**Defined Benefit Plan**

The Company has an unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

| Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|
| **(a) Statement of profit and loss Net employee benefit expense recognised in the employee cost** | | |
| Current service cost | 1,793,893 | 4,197,268 |
| Past service cost | — | — |
| Interest cost on defined benefit obligation | 1,973,462 | 1,785,431 |
| (Gain) / losses on settlement | — | — |
| **Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)** | **3,767,355** | **5,982,699** |
| **(b) Amount recorded in Other Comprehensive Income (OCI) Opening amount recognised in OCI outside profit and loss account Remeasurement during the period due to :** | | |
| Actuarial loss / (gain) arising from change in financial assumptions | 1,010,861 | (1,330,609) |
| Actuarial loss / (gain) arising from change in demographical assumptions | — | — |
| Actuarial loss / (gain) arising on account of experience changes | (1,613,558) | (1,875,574) |
| **Amount recognised in OCI (B)** | **(602,697)** | **(3,206,183)** |
| **Gratuity expense recognised in the statement of profit and loss and OCI (A+B)** | | |
| **© Reconciliation of net liability / asset** | | |
| Opening Defined Benefit liability / (assets) | 26,130,623 | 25,561,800 |
| Expense charged to profit & loss account | 3,767,355 | 5,982,699 |
| Amount recognised in outside profit and loss account | (602,697) | (3,206,183) |
| Benefit paid | (259,615) | (2,207,693) |
| **Closing net defined benefit liability / (asset)** | **29,035,666** | **26,130,623** |

| Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|
| **(d) Movement in Benefit obligation and balance sheet** | | |
| Opening Defined Benefit obligation | 26,130,623 | 25,561,800 |
| Current service cost | 1,793,893 | 4,197,268 |
| Past service cost | — | — |
| Interest cost on defined benefit obligation | 1,973,462 | 1,785,431 |
| **Remeasurement during the period due to :** | | |
| Actuarial loss / (gain) arising from change in Financial assumptions | 1,010,861 | (1,330,609) |
| Actuarial loss / (gain) arising on account of experience changes | (1,613,558) | (1,875,574) |
| Benefits paid | (259,615) | (2,207,693) |
| **Closing defined Benefit obligation [liability/(asset)] recognised in balance sheet** | **29,035,666** | **26,130,623** |
| **(e) Net liability is bifurcated as follows :** | | |
| Current | 6,408,378 | 6,322,572 |
| Non-current | 22,627,288 | 19,808,051 |
| **Net liability** | | |
| (f) The principal assumptions used in determining gratuity Benefit obligation for the company's plans are shown below: For 18 Years to 58 Years Mortality pre-retirement | | |
| Discount rate | — | — |
| Salary escalation rate (p.a.) | — | — |
| Employee Attrition Rate | — | — |
| Mortality pre-retirement | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| **(g) A quantitative analysis for significant assumption is as shown below:** | | |
| **Indian gratuity plan:** | | |
| **Assumptions -Discount rate** | | |
| Sensitivity Level (a hypothetical increase / (decrease) by) | 1% | 1% |
| Impact on Defined Benefit obligation -increase of sensitivity level | (1,264,469) | (1,138,096) |
| Impact on Defined Benefit obligation -decrease of sensitivity level | 1,421,905 | 1,281,864 |
| **Assumptions -Future salary escalations rates** | | |
| Sensitivity Level (a hypothetical increase / (decrease) by) | 1% | 1% |
| Impact on Defined Benefit obligation -increase of sensitivity level | 860,062 | 879,749 |
| Impact on Defined Benefit obligation -decrease of sensitivity level | (856,301) | (867,759) |

The following payments are expected contributions to the Defined Benefit plant in future years.

| Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|
| Within 1-2 year | 12,659,640 | 11,602,529 |
| 2-3 year | 2,262,199 | 1,524,895 |
| 3-4 year | 2,711,185 | 1,624,519 |
| 5-6 year | 1,883,039 | 2,546,113 |
| 6-10 year | 6,960,079 | 7,068,375 |

The average duration of the Defined Benefit plan obligation at the end of the reporting period is 5.99 years (March 31, 2019 - 6.57 years)

## NOTE - 33

### SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108, the Company operates in a single operating segment i.e. "Providing Financial Services" within India. Accordingly, no separate disclosure is required.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note No. 34**

**AS PER INDIAN ACCOUNTING STANDARD 24 RELATED PARTY DISCLOSURES, THE DISCLOSURES AS DEFINED ARE GIVEN BELOW:**

**I. List of related parties and their relationship Subsidiaries**

**Key Managerial Personnel**

| | |
|---|---|
| Gaurang Manhar Gandhi | Managing Director |
| Athreya Tyagarajan Krishnakumar | Independent Director |
| Anand Brijendra Desai | Independent Director |
| Kamlini Chaitan Maniar | Independent Director |
| Sanjay Kabra | Chief Financial Officer |
| Amit Jethalal Chandra | Company Secretary |

**Relative of Key Managerial Personnel**

| | |
|---|---|
| Hemang M Gandhi | Brother of Managing Director |
| Ketan Gandhi | Brother of Managing Director |

**Enterprises in which Key Managerial Personnel have control**

Futuristic Impex Pvt. Ltd.

Pioneer Insurance & Reinsurance Brokers Pvt. Ltd.

Sharp Point Motors & Automobiles Pvt. Ltd.

Symbyosys Integrated Solutions Pvt. Ltd.

Associated Capital Market Management Pvt. Ltd.

Siddhi Portfolio Services Pvt. Ltd.

L.Gordhandas & Co. Clearing Agent Pvt. Ltd.

PINC Tech Solution Pvt Ltd.

Festive Multitrade Pvt. Ltd.

**Note No. 34 Cont...**

**II Details of Related Party Transactions are as follows:**

| Sr No | Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|---|
| **(a)** | **Transactions with Related Parties** | | |
| **1** | **Remuneration** | | |
| | **Key managerial personnel/relative of key managerial personnel /associates** | | |
| | Mr. Gaurang Gandhi | 15,350,000 | 13,800,000 |
| | Mr. Hemang Gandhi | 3,821,600 | 1,221,600 |
| | Mr. Ketan Gandhi | 6,821,600 | 4,221,600 |
| | Sanjay Kabra | 6,164,000 | 5,416,668 |
| | Amit Chandra | 2,865,341 | 2,833,254 |
| | Mr. Jai Gandhi (Relative of Director) | 16,220,000 | 2,300,000 |
| | | **51,242,541** | **29,793,122** |
| **2** | **Purchase of Government Securities/Bonds** | | |
| | **Enterprises in which Key Managerial Personnel have control** | | |
| | Futuristic Impex Pvt. Ltd. | 309,420,104 | — |
| | Siddhi Portfolio Services Pvt. Ltd. | 536,169,160 | 58,257,144 |
| | Symbyosys Integrated Solutions Pvt. Ltd. | 368,508,317 | — |
| | | **1,214,097,581** | **58,257,144** |
| **3** | **'Sale of Government Securities/Bonds** | | |
| | **Enterprises in which Key Managerial Personnel have control** | | |
| | Futuristic Impex Pvt. Ltd. | 371,711,423 | 309,723,336 |
| | Siddhi Portfolio Services Pvt. Ltd. | 656,635,696 | 876,244,582 |
| | Symbyosys Integrated Solutions Pvt. Ltd. | 458,371,082 | 289,535,901 |
| | | **1,486,718,201** | **1,475,503,819** |
| **4** | **'Directors Sitting Fees** | | |
| | **Key managerial personnel/relative of key managerial personnel /associates** | | |
| | Late C.C. Dalal | 80,000 | 100,000 |
| | Athreya Tyagarajan Krishnakumar | 30,000 | — |
| | Anand Brijendra Desai | 110,000 | 100,000 |
| | Kamlini Chaitan Maniar | 60,000 | 30,000 |
| | | **280,000** | **230,000** |
| **5** | **Rent Received** | | |
| | **Enterprises in which Key Managerial Personnel have control** | | |
| | Pioneer Insurance & Reinsurance Brokers Pvt. Ltd. | 120,000 | 120,000 |
| **6** | **Rent Paid** | | |
| | **Enterprises in which Key Managerial Personnel have control** | | |
| | Symbyosys Integrated Solutions Pvt. Ltd. | 120,000 | 120,000 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| Sr No | Particulars | Current Year 2019-2020 | Previous Year 2018-2019 |
|---|---|---|---|
| 7 | **Reimbursement of Expenses** | | |
| | **Enterprises in which Key Managerial Personnel have control** | | |
| | Pioneer Insurance & Reinsurance Brokers Pvt. Ltd. | 1,524,394 | 2,352,715 |
| 8 | **Personal Gaurantee** | | |
| | **Key managerial personnel/relative of key managerial personnel /associates** | | |
| | Gaurang Manhar Gandhi | 2,000,000,000 | 2,000,000,000 |
| 9 | **Brokerage Earned** | | |
| | Gaurang Gandhi | 44,546 | 54,254 |
| | Ketan Gandhi | 74,271 | — |
| | | **118,818** | **54,254** |
| 10 | **Brokerage on Purchase/Sale of Securities** | | |
| | **Key managerial personnel/relative of key managerial personnel /associates** | | |
| | Siddhi Portfolio Services Pvt Ltd | 1,180 | 1,239 |
| | **Key Managerial Personnel** | | |
| | Hemang Gandhi | 150 | 460 |

| **Balances with related parties:** | **31.03.2020** | **31.03.2019** | **01.04.2018** |
|---|---|---|---|
| **Enterprises in which Key Managerial Personnel have control** | | | |
| Pioneer Insurance & Reinsurance Brokers Pvt. Ltd. | (20,000,000) | (20,000,000) | (20,000,000) |
| Futuristic Impex Pvt Ltd | 86,784,113 | 86,711,530 | — |
| Siddhi Portfolio Services Pvt Ltd | 143,549,334 | 117,665,049 | — |
| Symbyosys Integrated Solutions Pvt Ltd | 200,325,708 | 172,837,268 | 22,500,000 |
| **Key Managerial Personnel** | | | |
| Gaurang Gandhi | 295,716 | 605,002 | — |
| Hemang Gandhi | 115 | 310 | — |

Note:Transaction amount is excluding taxes,wherever applicable.

* Key managerial remuneration related to retirement benets (i.e.Gratuity ) are recognised under Employee benets expenses in statement of prot and loss along with other employees gratuity costs of the Company based on the actuarial valuation carried out by Independent Actuary.

## NOTE - 35

### AS PER INDIAN ACCOUNTING STANDARD 116 "LEASES",THE DISCLOSURES AS DEFINED ARE GIVEN BELOW:

**The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.**

| Sr. | Particular | As On 31.03.2020 | As On 31.03.2019 | As On 01.04.2018 |
|---|---|---|---|---|
| a) | Not later than one year | **6,921,000** | 7,200,600 | 8,033,916 |
| b) | Later than one year but not later than five year | **9,344,306** | 20,505,000 | 29,597,415 |
| c) | Later than five years | — | — | — |

## NOTE -36

### FINANCIAL INSTRUMENTS

**Financial Risk Management**

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

The carrying value and fair value of financial instrument by categories as of March 31, 2020 were as follows

| Particulars | At Amortised Cost | At Fair value through proft and loss | At Fair value through OCI | Total Carrying Value |
|---|---|---|---|---|
| **Financials Assets** | | | | |
| a. Cash and cash equivalents | 77,734,971 | — | — | 77,734,971 |
| b. Bank Balances other than above | 49,451,501 | — | — | 49,451,501 |
| c. Receivables | 1,324,073,513 | — | — | 1,324,073,513 |
| d. Loans | — | — | — | — |
| e. Investments | — | 4,586,247 | 154,804,725 | 159,390,972 |
| f. Other financial assets | — | 84,028,704 | — | 84,028,704 |
| **Total Financial Assets** | **1,451,259,985** | **88,614,951** | **154,804,725** | **1,694,679,661** |
| **Financial Liabilities** | | | | |
| a. Trade Payables | 30,571,185 | — | — | 30,571,185 |
| b. Debt Securities | — | — | — | — |
| c. Borrowings (Other than Debt Securities) | 404,214,551 | — | — | 404,214,551 |
| d. Other financial liabilities | 50,144,648 | — | — | 50,144,648 |
| **Total Financial Liabilities** | **484,930,384** | — | — | **484,930,384** |

The carrying value and fair value of financial instrument by categories as of March 31, 2019 were as follows

| Particulars | At Amortised Cost | At Fair value through proft and loss | At Fair value through OCI | Total Carrying Value |
|---|---|---|---|---|
| **Financials Assets** | | | | |
| a. Cash and cash equivalents | 154,116,193 | — | — | 154,116,193 |
| b. Bank Balances other than above | 22,987,758 | — | — | 22,987,758 |
| c. Receivables | 1,060,182,580 | — | — | 1,060,182,580 |
| d. Loans | 9,024 | — | — | 9,024 |
| e. Investments | — | 38,443,016 | 154,053,315 | 192,496,332 |
| f. Other financial assets | 46,109,137 | 492,227,376 | — | 538,336,513 |
| **Total Financial Assets** | **1,283,404,692** | **530,670,392** | **154,053,315** | **1,968,128,400** |
| **Financial Liabilities** | | | | |
| a. Trade Payables | 21,670,617 | — | — | 21,670,617 |
| b. Debt Securities | — | — | — | — |
| c. Borrowings (Other than Debt Securities) | 730,892,423 | — | — | 730,892,423 |
| d. Other financial liabilities | 43,996,139 | — | — | 43,996,139 |
| **Total Financial Liabilities** | **796,559,179** | — | — | **796,559,179** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The carrying value and fair value of financial instrument by categories as of April 1, 2018 were as follows

| Particulars | At Amortised Cost | At Fair value through proft and loss | At Fair value through OCI | Total Carrying Value |
|---|---|---|---|---|
| **Financials Assets** | | | | |
| a. Cash and cash equivalents | 83,305,448 | — | — | 83,305,448 |
| b. Bank Balances other than above | 21,174,435 | — | — | 21,174,435 |
| c. Receivables | 1,005,735,061 | — | — | 1,005,735,061 |
| d. Loans | 8,130 | — | — | 8,130 |
| e. Investments | — | 40,184,104 | 159,635,993 | 199,820,097 |
| f. Other financial assets | 89,004,250 | 306,208,361 | — | 395,212,611 |
| **Total Financial Assets** | **1,199,227,324** | **346,392,465** | **159,635,993** | **1,705,255,782** |
| **Financial Liabilities** | | | | |
| a. Trade Payables | 42,531,523 | — | — | 42,531,523 |
| b. Debt Securities | — | — | — | — |
| c. Borrowings (Other than Debt Securities) | 458,743,039 | — | — | 458,743,039 |
| d. Other financial liabilities | 30,449,436 | — | — | 30,449,436 |
| **Total Financial Liabilities** | **531,723,998** | — | — | **531,723,998** |

## NOTE -37

### MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

### INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest rate risk exposure mainly from changes in rate of interest on borrowing. The following table analyse the breakdown of the nancial assets and liabilities by type of interest rate:

| Particulars | 31.03.2020 | 31.03.2019 | 01.04.2018 |
|---|---|---|---|
| **Financial assets** | | | |
| Interest bearing | — | — | — |
| -Fixed interest rate | — | — | — |
| Loans | — | — | — |
| Inventory | 12,335,658 | 492,227,376 | 306,208,361 |
| -Floating interest rate | | | |
| Loans | — | — | — |
| **Total** | **12,335,658** | **492,227,376** | **306,208,361** |
| | | | |
| **Financial Liabilities** | | | |
| Interest bearing | | | |
| -Fixed interest rate | — | — | — |
| Borrowings | — | — | — |
| Borrowings (Vehicle loans) | — | — | — |
| | | | |
| -Floating interest rate | | | |
| Borrowings (Term loans) | 263,558,603 | 151,059,087 | 14,780,614 |
| Borrowings (Repayable on demand) | 130,648,358 | 567,863,342 | 289,251,034 |
| **Total** | 394,206,961 | 718,922,429 | 304,031,648 |

## NOTE -38

### LIQUIDITY RISK

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost. The Company's maximum exposure to liquidity risk for the components of the balance sheet at March 31, 2020, March 31, 2019 and April 01, 2018 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The Company's major financial liabilities include term loans with maturity prole ranging between 0 to 5 years and short term borrowings are generally payable within one year. The other payables are with short-term durations. The following table analysis undiscounted financial liabilities by remaining contractual maturities:

| Particulars | On demand | Less than 3 months | 3 to12 months | 1 to 5 years | >5 years | Total |
|---|---|---|---|---|---|---|
| **As at 31st March 2020** | | | | | | |
| Borrowings | 130,648,358 | 4,845,099 | 14,795,064 | 80,482,829 | 173,443,200 | 404,214,551 |
| Trade and other payables | 30,520,709 | 50,476 | — | — | — | 30,571,185 |
| Deposits | — | — | 20,000,000 | — | — | 20,000,000 |
| Other financial liabilities | 1,471,455 | 7,640,878 | 11,906,998 | 8,898,165 | 227,152 | 30,144,648 |
| **Total** | 162,640,522 | 12,536,453 | 46,702,062 | 89,380,994 | 173,670,352 | 484,930,384 |
| | | | | | | |
| **As at 31st March 2019** | | | | | | |
| Borrowings | 579,833,336 | 3,852,683 | 11,751,395 | 59,522,596 | 75,932,413 | 730,892,423 |
| Trade and other payables | 21,670,617 | — | — | — | — | 21,670,617 |
| Deposits | — | — | 20,000,000 | — | — | 20,000,000 |
| Other financial liabilities | 135,386 | 3,286,533 | 10,457,419 | 9,450,962 | 665,839 | 23,996,139 |
| **Total** | 601,639,339 | 7,139,216 | 42,208,814 | 68,973,558 | 76,598,252 | 796,559,179 |
| | | | | | | |
| **As at 1st April 2018** | | | | | | |
| Borrowings | 443,962,426 | 1,226,363 | 4,232,536 | 20,489,963 | (11,168,248) | 458,743,040 |
| Trade and other payables | 39,339,994 | 3,191,529.11 | — | — | — | 42,531,524 |
| Deposits | — | — | 20,000,000 | — | — | 20,000,000 |
| Other financial liabilities | 331,997 | 2,575,627 | 5,079,945 | 1,500,887 | 960,979 | 10,449,436 |
| **Total** | 483,634,417 | 6,993,519 | 29,312,481 | 21,990,850 | (10,207,269) | 531,723,999 |

## Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The Company manages its capital structure and makes adjustment in light of changes in business condition. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio.The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

| Particulars | 31.03.2020 | 31.03.2019 | 01.04.2018 |
|---|---|---|---|
| **Borrowings** | 404,214,551 | 730,892,423 | 458,743,040 |
| Trade and other payables | 30,571,185 | 21,670,617 | 42,531,524 |
| Deposits | 20,000,000 | 20,000,000 | 20,000,000 |
| Other financial liabilities | 30,144,648 | 23,996,139 | 10,449,436 |
| Less: cash and cash equivalents | (127,186,472) | (177,103,951) | (104,479,883) |
| **Net debt (A)** | **357,743,912** | **619,455,228** | **427,244,115** |
| | | | |
| Equity share capital | 128,946,972 | 128,946,972 | 128,946,972 |
| Other equity | 1,174,033,144 | 1,141,715,184 | 1,135,443,671 |
| **Total member's capital (B)** | **1,302,980,116** | **1,270,662,155** | **1,264,390,643** |
| | | | |
| **Capital and net debt (C=A+B)** | **1,660,724,026** | **1,890,117,383** | **1,691,634,757** |
| | | | |
| Gearing ratio (%) (A/C) | 21.54% | 32.77% | 25.26% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements.Breaches in meeting the financial covenants would permit the bank to immediately call borrowings.There have been no breaches in the financial covenants of any borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the aforesaid financial period.

## NOTE -39

### FAIR VALUE HIERARCHY

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020

| Particulars | As At 31.03.2020 | Fair value measurement at end of the reporting year using | | |
|---|---|---|---|---|
| | | Level I | Level II | Level III |
| Equity instruments FVTPL | 4,586,247 | 4,586,247 | — | — |
| Equity instruments FVTOCI | 154,804,725 | — | — | 16,139,989 |

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019

| Particulars | As At 31.03.2019 | Fair value measurement at end of the reporting year using | | |
|---|---|---|---|---|
| | | Level I | Level II | Level III |
| Equity instruments FVTPL | 38,443,016 | 38,443,016 | — | — |
| Equity instruments FVTOCI | 154,053,315 | — | — | — |

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 01, 2018

| Particulars | As At 01.04.2018 | Fair value measurement at end of the reporting year using | | |
|---|---|---|---|---|
| | | Level I | Level II | Level III |
| Equity instruments FVTPL | 40,184,104 | 40,184,104 | — | — |
| Equity instruments FVTOCI | 159,635,993 | — | — | — |

Description of techniques and valuation inputs used for Level II hierarchy are under:

| Asset Class | Fair value hierarchy | Valuation techniques and inputs |
|---|---|---|
| Investments in hybrid instruments FVTPL | Level II | Future cash fows are discounted using a discount rate arrived at by adding the spread provided by FIMMDA or other approved agencies and annualisedgovernment security yield provided by regulatory authorities |
| Equity instruments FVTOCI | Level III | Unquoted equity investments - NAV of the latest audited financials of the company available in public domain. |

## NOTE -40

## RECONCILIATION OF BALANCE SHEET, TOTAL OTHER COMPREHENSIVE INCOME, EQUITY AND CASH FLOWS AS PER PREVIOUS GAAP TO IND AS.

### A Effect of Ind AS adoption on the Balance Sheet as at March 31, 2019 and April 01, 2018

| | 31.03.2019 | | | 31.03.2018 | | |
|---|---|---|---|---|---|---|
| | Previous Gaap | Effect of Transition to IND AS | As Per IND AS | Previous Gaap | Effect of Transition to IND AS | As Per IND AS |
| **ASSETS** | | | | | | |
| **Financial Assets** | | | | | | |
| Cash & Cash Equivalents | 154,116,193 | — | 154,116,193 | 83,305,448 | — | 83,305,448 |
| Bank Balance other than above | 22,987,758 | — | 22,987,758 | 21,174,435 | — | 21,174,435 |
| Receivables | 1,060,182,580 | — | 1,060,182,580 | 1,005,735,061 | — | 1,005,735,061 |
| Loans | 9,024 | — | 9,024 | 8,130 | — | 8,130 |
| Investments | 167,849,982 | 24,646,350 | 192,496,332 | 162,559,967 | 37,260,130 | 199,820,098 |
| Inventories | 491,232,229 | 995,147 | 492,227,376 | 305,971,162 | 237,200 | 306,208,361 |
| Other Financial Assets | 57,442,046 | (11,332,909) | 46,109,137 | 101,197,757 | (12,193,507) | 89,004,250 |
| **Total Financial Assets** "A" | 1,953,819,812 | 14,308,588 | 1,968,128,400 | 1,679,951,960 | 25,303,824 | 1,705,255,784 |
| **Non-Financial Assets** | | | | | | |
| Current Tax Assets (Net) | 19,406,890 | — | 19,406,890 | 5,989,569 | — | 5,965,562 |
| Deferred Tax Assets (Net) | 43,406,974 | 1,685,305 | 45,092,279 | 43,979,131 | 1,708,480 | 45,687,610 |
| Property, Plant and Equipment | 43,751,853 | 12,694,591 | 56,446,445 | 43,507,123 | 3,841,203 | 47,348,326 |
| Other Intangible Assets | 1,964,831 | — | 1,964,831 | 1,104,283 | — | 1,104,283 |
| Other Non-Financial Assets | 8,128,098 | 9,656,197 | 17,784,295 | 11,146,620 | 10,834,202 | 21,980,821 |
| **Total Non-Financial Assets** "B" | 116,658,646 | 24,036,093 | 140,694,739 | 105,726,726 | 16,383,884 | 122,086,601 |
| **Total Assets** "A" + "B" | 2,070,478,457 | 38,344,681 | 2,108,823,139 | 1,785,678,687 | 41,687,708 | 1,827,342,386 |
| **EQUITIES & LIABILITIES** | | | | | | |
| **Financial Liabilites** | | | | | | |
| Trade Payable | | | | | | |
| total outstanding dues of micro enterprises & small enterprises | | | | | | |
| total outstanding dues of creditors other than micro enterprises & small enterprises | 21,670,617 | — | 21,670,617 | 42,531,523 | — | 42,531,523 |
| Debt Securities | — | — | — | — | — | — |
| Other Financial Liabilites | 730,892,423 | — | 730,892,423 | 458,743,039 | — | 458,743,039 |
| Deposits | 20,000,000 | — | 20,000,000 | 20,000,000 | — | 20,000,000 |
| Other Financial Liabilites | 10,113,765 | 13,882,373 | 23,996,139 | 6,301,668 | 4,147,767 | 10,449,436 |
| "A" | 782,676,805 | 13,882,373 | 796,559,179 | 527,576,230 | 4,147,767 | 531,723,998 |
| **Non-Fianancial Liabilties** | | | | | | |
| Porvisions | 27,332,478 | — | 27,332,477 | 26,675,867 | — | 26,651,860 |
| Other Non-Financial Liabilites | 14,269,328 | — | 14,269,328 | 4,575,884 | — | 4,575,884 |
| "B" | 41,601,805 | — | 41,601,804 | 31,251,751 | — | 31,227,744 |
| **Total Liabililites** "I" - "A" + "B" | 824,278,610 | 13,882,373 | 838,160,984 | 558,827,980 | 4,147,767 | 562,951,742 |
| **Equity** | | | | | | |
| Equity Share Capital | 128,946,972 | — | 128,946,972 | 128,946,972 | — | 128,946,972 |
| Other Equity | 1,117,252,872 | 24,462,309 | 1,141,715,184 | 1,097,903,728 | 37,539,942 | 1,135,443,671 |
| "II" | 1,246,199,844 | 24,462,309 | 1,270,662,155 | 1,226,850,699 | 37,539,942 | 1,264,390,643 |
| **Total Equity & Liabilites** "I" +"II" | 2,070,478,454 | 38,344,682 | 2,108,823,139 | 1,785,678,679 | 41,687,709 | 1,827,342,385 |

B Net Profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under :

| Particulars | Previous Year 2018-2019 |
|---|---|
| Net profit after tax as reported under Indian GAAP | 19,349,141.87 |
| Ind AS adjustments increasing (decreasing) net profit as reported under Indian GAAP: | |
| (i) Fair Valuation of Inventories | 757,946.68 |
| (ii) Fair Valuation of Quoted Equity Shares | (14,531,101.54) |
| (iii) Remeasurement of defined benefit obligation recognised in other comprehensive income | (2,149,223.36) |
| (iv) Fair value impact of Non-Convertible & Non-Cumulative Preference Shares | — |
| (v) Fair value impact of Security Deposits | (312,919.98) |
| (vi) Fair value impact of Lease accounting | (885,704.28) |
| (vii) Tax impact of above adjustemnts | (23,177.00) |
| **Net Profit as per Ind AS** | **2,204,962.39** |
| Other Comprehensive Income (net of Income Tax) | |
| (I) Remeasurement of the defined benefit liabilities | 2,149,223.36 |
| (ii) Fair value of Equity shares through OCI | 1,917,322.00 |
| **Total Incl. Comprehensive Income For the Year Ended** | **6,271,507.75** |

**C) Statement of reconciliation of Equity under previous GAAP and Ind AS**

| Particulars | As at 31.03.2019 | As at 01.04.2018 |
|---|---|---|
| **As Reported Under GAAP** | | |
| Equity Capital | 128,946,971 | 128,946,971 |
| Reserves | 1,117,252,872 | 1,097,903,728 |
| **Total** | **1,246,199,843** | **1,226,850,699** |
| **Adjustments** | | |
| (I) Fair Valuation of Inventories | 995,147 | 237,200 |
| (ii) Fair Valuation of Equity Shares | 24,646,350 | 37,260,129 |
| (iii) Fair value impact of Non-Convertible & Non-Cumulative Preference Shares | — | — |
| (iv) Fair value impact of Security Deposits | (1,669,981) | (1,357,061) |
| (v) Fair value impact of Lease accounting | (1,197,920) | (312,215) |
| (vi) Tax Impact of above | 1,688,713 | 1,711,890 |
| **Equity as per IND AS** | **1,270,662,152** | **1,264,390,642** |

**D) Impact of Ind AS adoption on the statement of cash flow for the year ended 31st March, 2019**

The transition from previous GAAP to Ind AS has not affected the cash flows of the Company.

**i) IND AS 27 & IND AS 109-Investment in subsidiaries**

Under previous GAAP, an entity is required to account for its investments in subsidiaries at cost. Under Ind AS, investment can be measured at cost or fair value. At the transition date, the Company has adopted previous GAAP carrying value as deemed cost.

**ii) IND AS 109 Financial instrument- Shares held for Trading (Inventory)**

Under previous GAAP, an entity is required to account inventory at cost or market value whichever is lower. Under Ind AS, shares held for trading being in financial asset nature mesured at fair value through Profit & Loss.

**iii) IND AS 109 Financial instrument - Investments in equity instruments other than subsidiary**

Under previous GAAP, long term investments are carried at cost less provision for diminution , if any, being permanent in nature . Under Ind AS, Investments in equity instruments shall be recorded at Fair value through P&L. Accordingly, the impact has been recognised.

**iv) IND AS 109 Financial instrument- Investments in Hybrid Instruments (Non-Convertible & Non-Cumulative Preference Shares)**

Under Previous GAAP,long term investments are carried at cost less provision for diminution , if any, being permanent in nature . Under Ind AS, Investments in such instruments shall be recorded at Amortised Cost. Accordingly, the impact has been recognised.

**v) IND AS 19 - Defined benefits plan**

Under previous GAAP, defined benefits plan being unfunded gratuity are recognised based on actuarial. The entire measurement cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, actuarial gain or loss needs to be recorded in other comprehensive income with no subsequent recycling to the statement of profit and loss

**vi) IND AS 109 Financial instrument - Fair value of security deposits given/ taken**

Under previous GAAP, lease security deposit (that are refundable in the nature on the completion of the lease term) are recorded at the transaction value. However, under Ind AS, security deposits shall be recorded initially fair value and subsequently measured at amortized costs. Day 1 impact would be considered as prepaid rent expense/income and be amortised over the lease term. Unwinding income /expenses shall be recorded in the statement of profit and loss with corresponding increase in deposits.

**vii) IND AS 116 Leases - Fair value of security deposits given/ taken**

Under previous GAAP, Operating leases are expensed out whenever lease rental payments been made. Under Ind As, Lease shall be recorded initally at fair value and Right to Use Assets (ROU) and Finance lease liablity to be recognised. Subsequently ROU is amortised over life of the asset and finance charges are booked on finance liability recoginsed.Accordingly Impact is recognised.

**viii) Classification and presentation of assets and liabilities**

Under previous GAAP, the Company was not required to present its assets and liabilities bifurcating between fnancial assets / financial liabilities and non financial assets / non financial liabilities . Under Ind AS, the Company is required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities . Accordingly, the Company has classified and presented its assets and liabilities.

**Note 41**

**ESOP**

| Particulars | 2019-20 | 2018-2019 |
|---|---|---|
| | **ESOP 2007** | **ESOP 2007** |
| Options in force at the begining of the year | (160,000) | — |
| Add:Options granted during the year | — | — |
| Add:Forfeited/lapsed options reissued | — | — |
| Less:Options forfeited/lapsed | — | (160,000) |
| Less: Options Exercised during the year | — | — |
| **Options in force at the end of the year** | (160,000) | (160,000) |
| | | |
| Vested Options outstanding-opening | (80,000) | — |
| Add: Options vested during the year | (40,000) | (40,000) |
| Less: Options Exercised during the year | — | — |
| Less: Vested Options Lapsed | — | 40,000 |
| Vested Options outstanding-closing | (120,000) | (80,000) |

**Note No: 42**

During the financial year 2018-19, the Company spent Rs 13,50,000 (previous year Rs 13,25,000) as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility.

**Note No: 43**

There was no impairment loss on the Fixed assets on the basis of review carried out by the management in accordance with Indian Accounting Standard (Ind AS)- 36 Impairment of Assets.

**Note No: 44**

Balances of certain trade receivables, trade payables are subject to confirmation/reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation/adjustments.

**Note No: 45**

The Company has not received any intimation from 'suppliers' regarding their status under the Micro,Small and Medium Enterprises Development Act, 2006.

**Note No: 46**

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**Note No: 47**

As assessed by the management, Impact of Covid 19 on the financial statements of the Company is likely to be modest and for short term. Management does not foresee any medium to long term risk in company's ability to continue as going concern.

**Note No: 48**

The Company elected to exercise the option of reduced Corporate income-tax rate from 34.94% to 25.17% as permitted under section 115BAA of the Income-tax Act, 1961 as per the amendment notified in the official Gazette dated 12 December 2019.

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Signature to Notes 1 to 48

**For J.D. Jhaveri & Associates**
Chartered Accountants
Firm Reg. No.: 111850W

**Jatin Jhaveri**
Proprietor
M.No.: 045072
UDIN: 20045072AAAAEP8637
Mumbai, 30th July, 2020

**G.M.Gandhi**
Managing Director
(DIN - 00008057)

**A.B.Desai**
Director
(DIN - 01488287)

**Sanjay Kabra**
CFO

**A.T.Krishnakumar**
Director
(DIN - 00926304)

**K.C.Maniar**
Director
(DIN - 06926167)

**A.J.Chandra**
Company Secretary
Mumbai, 30th July, 2020

## ANNEXURE “A”

### SALIENT FEATURE OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURE AS PER COMPANIES ACT 2013, AS ON 31st MARCH 2020

**PART “A” : SUBSIDIARIES**

| Particulars | Infinity.com Financial Securities Limited | Pioneer Commodity Intermediaries Private Limited | Pioneer Money Management Limited | Pioneer Investment Advisory Services Limited | Pioneer Wealth Management Services Limited | Pioneer Fundinvest Private Limited |
|---|---|---|---|---|---|---|
| Reporting Currency | INR | INR | INR | INR | INR | INR |
| Share Capital | 185,000,000 | 16,000,000 | 60,000,000 | 500,000 | 69,900,000 | 145,000,000 |
| Reserves & Surplus | 133,307,293 | (2,710,123) | 10,153,732 | 49,073 | (11,742,555) | 1,708,111 |
| Total Assets | 400,954,637 | 13,618,260 | 70,467,368 | 1,170,203 | 59,586,010 | 184,999,379 |
| Total Liabilities | 82,647,344 | 328,382 | 313,635 | 621,130 | 1,428,564 | 38,291,267 |
| Investments | 180,514 | — | — | — | 10,953,681 | 127,711,055 |
| Turnover/Total Income | 63,622,877 | 90,776 | 91,636 | 78,436 | 264,066 | 19,459,785 |
| Profit/(Loss) before Taxation | 15,969,345 | 64,766 | (194,098) | (379) | (1,312,548) | 1,017,808 |
| Provision for Taxation | 189,423 | (17,000) | — | — | — | — |
| Profit/(Loss) after Tax | 9,495,748 | 47,766 | (195,851) | (298) | (1,316,878) | 1,019,161 |
| Proposed Dividend | Nil | Nil | Nil | Nil | Nil | Nil |
| % of Shareholding | 100 | 100 | 100 | 100 | 100 | 100 |

**PART “B”: ASSOCIATES & JOINT VENTURES**
**NIL**

PINC

bright thinking