

JAYESH DADIA & ASSOCIATES

CHARTERED ACCOUNTANTS

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E-mail : info@jdaca.com • Website : www.jdaca.com

INDEPENDENT AUDITORS' REPORT

To the Members of Pioneer Investcorp Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



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

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

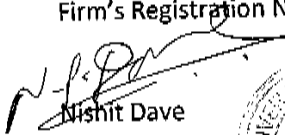
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

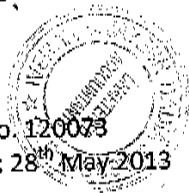


2. As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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


Nishit Dave
Partner
Membership No. 120073
Mumbai, Date : 28th May 2013



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ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the Management during the year at reasonable intervals. No material discrepancies were noticed on verification.
- (c) During the year, the Company has not disposed off a major part of the fixed assets.
- (ii) (a) The Company has conducted the physical verification of inventories being Shares and Securities, held by it, at reasonable intervals during the year;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate and
- (c) The Company has maintained proper records of such inventories, and as informed to us no material discrepancies were noticed on physical verification.
- (iii) (a) During the year the Company has granted unsecured interest free loans to Five of its wholly owned subsidiaries. At the year end, the loans granted to Five subsidiaries aggregates to Rs 135.09 lacs (previous year Rs 71.69 lacs). The Maximum balance outstanding during the year was Rs 479.54 lacs (previous year 279.86 lacs).



(b), (c), (d) since interest free loans are granted to the companies under section 301 are repayable on demand, comments under these clauses are not given.

(e) During the year Company has not taken any loans, secured or unsecured loan from the companies, covered in the register maintained under section 301 of the Act.

(f)& (g) Since no loans are taken during the year comment under these clauses are not given.

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

(v) (a) In our opinion, the company has entered into all the particulars of contracts or arrangement referred to in section 301 of the act;

(b) In our opinion, transactions made in pursuance of such contract or arrangements and exceeding the value of Rupees five lakhs in respect of any party during have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.



- (vi) The Company has not accepted deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Company is not required to maintain cost accounting records as prescribed by Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including service tax, provident fund, income tax and other material statutory dues applicable to it.
(b) According to the information and explanation given to us, there are no disputed statutory dues.
- (x) The Company has been registered for a period of more than five years. It has no accumulated losses. The Company has not incurred cash loss for the current financial year and in immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to banks.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and



other securities. Accordingly, the provisions of clause 4(xii) is not applicable to the company.

- (xiii) The Company is not a chit fund or a nidhi mutual fund / society. Accordingly, the provisions of clause 4(xiii) is not applicable to the company.
- (xiv) The Company is dealing in shares and securities and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made therein and the shares and securities and other investments have been held by the company in it's own name.
- (xv) As informed to us, the Company has given guarantee for loans taken by one of its subsidiary from bank. However the terms and conditions whereof are not prejudicial to the interest of the Company.
- (xvi) The Company has obtained term loan from bank, and the same was applied for the purpose for which it was obtained.
- (xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that no funds raised for short term has been used for long term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of



shares to parties covered in the register maintained under section 301 of the Act.

- (xix) The Company has not issued debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) As informed to us, no fraud on or by the Company has been noticed or reported during the year.

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


**Nishit Dave
Partner**

M.No.: 120073

Mumbai, Dated: 28th May 2013



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To The Board of Directors of

Pioneer Investcorp Limited

Report on the Consolidated Financial Statements

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

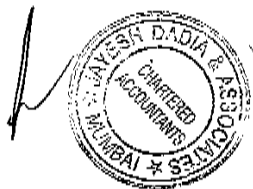
Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order



to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

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

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


**Nishit Dave
Partner**

M.No.: 120073

Mumbai, Dated: 28th May 2013

