

Baroda Pioneer Asset Management Company Limited

Annual Report
2009 -2010



BARODA PIONEER ASSET MANAGEMENT COMPANY LIMITED

501, Titanium, 5th Floor, Western Express Highway, Goregaon(E), Mumbai -400063

18TH ANNUAL REPORT – 2009-2010

BOARD OF DIRECTORS

Dr. Anil K Khandelwal	Chairman
Mr. M. D. Mallya	Associate Director
Ms. Minal Bhagat	Associate Director
Mr. Angus Stening	Associate Director
Prof B. B. Bhattacharya	Independent Director
Dr. P. N. Khandwalla	Independent Director
Mr G. P. Gupta	Independent Director
Mr. Shiv Dayal	Independent Director
Mr. Rohit Arora	Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Rajan Krishnan

COMPANY SECRETARY

Ms. Rashmi Pandit

AUDITORS

M/S BSR & Co.

REGISTERED OFFICE

501, Titanium, 5th Floor,
Western Express Highway,
Goregaon (E), Mumbai - 400063

REGISTERED AND TRANSFER AGENT

SHAREX DYNAMIC (INDIA) PVT. LTD.
17/B Dena Bank Building, 2nd floor
Horiman Circle, Fort, Mumbai – 400001

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 18th Annual General Meeting of Baroda Pioneer Asset Management Company Limited will be held at 501, Titanium, 5th Floor, Western Express Highway, Goregaon (East), Mumbai – 400063 on Friday, September 08, 2010, at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Anil K. Khandelwal, who will retire by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Shiv Dayal, who will retire by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Proff. B. B. Bhattacharya, who will retire by rotation and being eligible, offers himself for reappointment.
5. To appoint the Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a:

Special Resolution:

“RESOLVED THAT M/s. BSR & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors.”.

SPECIAL BUSINESS

1. To appoint Ms. Minal Bhagat as a non-executive rotational director and in this regard, to consider, and if thought fit, pass the following resolution with or without modification as an ordinary resolution.

“RESOLVED THAT pursuant to the provisions of section 257 of the Companies Act, 1956, Ms. Minal Bhagat be and is hereby appointed as an Associate Director of the Company, not liable to retire by rotation.

“RESOLVED FURTHER THAT the Chief Executive Officer and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to this Resolution, including filing the necessary form with the Registrar of Companies, Maharashtra.”

By order of the Board of Directors

Sd/-

Rajan Krishnan

Chief Executive Officer

Place : Mumbai

Date : August 11, 2010

Notes:

- i. A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the company. A proxy cannot vote except on a poll
- ii. An Explanatory Statement Pursuant to Section 173 (2) of the Companies Act 1956, relating to special business to be transacted at the meeting is annexed hereto.
- iii. The instrument appointing the proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

Explanatory Statement

[Pursuant to section 173(2) of the Companies Act 1956]

Item No. 6

Ms. Minal Bhagat was appointed as an Additional Director on the Board of Your Company with effect from February 11, 2010, pursuant to the provisions of Section 260 of the Companies Act, 1956, read with Articles 148(1) and 155(1) of the Articles of Association of the Company. She holds office as Additional Director only upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Ms. Minal Bhagat for the office of Director under the provisions of Section 257 of the Companies Act, 1956. The resolution is accordingly commended for your acceptance.

None of the Directors of the Company other than Ms. Minal Bhagat is interested in this Resolution.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Eighteenth Annual Report of the Company together with the Audited Balance Sheet as on 31.03.2010 and the Profit & Loss Account for the year ended at that date.

FINANCIAL PERFORMANCE OF THE COMPANY FOR YEAR ENDED MARCH 31, 2010

	As at 31.3.10 (Rs in lakh)	As at 31.3.09 (Rs in lakh)
Total Income	1340.65	686.69
Profit / (loss) before Depreciation	(682.76)	(670.65)
Less Depreciation	118.11	20.16
Profit & loss before Tax	(800.87)	(690.86)
Less Provision for Tax	85.58	(78.79)
Profit & loss after Tax	(886.45)	(612.07)
Less Prior Period Adjustment	23.16	0.00
Profit after Tax & Adjustment	(909.61)	(612.07)
Apportion	0.00	0.00
Dividend (Proposed)	0.00	0.00
Profit after tax and adjustments carried to Balance sheet	(909.61)	(612.07)
Reserve & Surplus	4009.57	4484.68

SHARE CAPITAL

The Paid up Equity Share Capital of the Company is Rs.2,897.10 lakh and the net worth of the Company was Rs. 6472 lakh as on March 31, 2010.

PROFITABILITY

The net loss after tax for the financial year 2009-10 was Rs. 909.61 lakh, as against a loss of Rs. 612.07 lakh in 2009-10.

DIVIDEND

The Directors do not recommend any dividend for the year 2009-10 with a view to consolidating the resources of the Company and strengthening the net worth in keeping with the challenges faced by the mutual fund industry.

MANAGEMENT DISCUSSION & ANALYSIS

MUTUAL FUND INDUSTRY

The mutual fund industry recorded an upward swing in the financial year 2009-10. Gross mobilizations by the industry during the year amounted to Rs. 100,19,023 crore against Rs. 54,26,353 crore in the previous year, registering a growth of 45.84%. However, the Industry also witnessed a surge in redemption with gross redemptions of Rs. 99,35,942 crore, representing a whopping 82% increase over the previous year's figure of Rs. 54,54,650 crore. On a net basis, there was an inflow of Rs. 83,081 crore as against a net outflow of Rs. 28,297 crore in the last year. The Average Assets Under Management of the industry as on March 31, 2010 stood at Rs. 7,48,997.16 crore, as against Rs. 4,93,285 crore on March 31, 2009. Also, as on March 31, 2010, there were 38 SEBI registered Asset Management Companies, as against 35 on March 31, 2009. The new Asset Management Companies who entered the industry in 2009-2010 are Axis Asset Management Company Ltd., Peerless Funds Management Co. Ltd. and Shinsei Asset Management (India) Pvt. Ltd.

STATE OF COMPANY AFFAIRS

During the year, the Company appointed 19 employees, including Mr. Sundararajan Sudakar, Chief Operating Officer.

The Average Assets under Management of Baroda Pioneer Mutual Fund in March 2010 were Rs. 3552 crore as against Rs. 1132 crore in the previous year, registering a growth of 213.76%. Also, during the year, Baroda Pioneer Treasury Advantage Fund and Baroda Pioneer Public Sector Undertaking Fund (PSU) Bond Fund were launched in June 2009 and December 2009 respectively.

Your Company strives to provide well defined products that cater to a diverse range of risk, return and liquidity preferences of investors. Your Company is confident of a robust growth in AUM, on the back of consistent performance, a well thought-out marketing and distribution strategy, enhanced geographical reach and quality customer service. It is proposed that the branch network of the Bank, including in the rural and semi-urban areas, will be used for broadening investor base.

CHANGE IN DIRECTORS

Mr. Dario Frigerio and Mr S. Bhattacharya, Directors of the Company, resigned from the Board of Directors w.e.f. January 21, 2010 and January 31, 2010 respectively.

Mrs Minal Bhagat was appointed as Director with effect from February 11, 2010.

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. As per the provisions of Section 219(1) (b)(iv) of the said Act, the Report and Accounts are being sent to the shareholders of the Company excluding the statement on particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Secretarial Department at the Registered Office of the Company.

Directors' Responsibility Statement Pursuant to Section 217(2AA) of the Companies Act, 1956

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Management, and due enquiry, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. The accounting policies have been consistently followed so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for that period.
- iii. Proper and sufficient care has been taken by your Directors 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 the preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts of the company have been prepared on an ongoing basis.

AUDITORS

The Company's present Auditor, M/s BSR & Co., Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting.

Information under section 217(1) (e) of the Companies Act, 1956

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo

There are no specific comments in terms of the provisions of Section 217 (1) (e) of the Companies Act, 1956 that are called for on conservation of energy and technology absorption. Your Company has, however, used information technology relevant to its business in keeping with the size of its operations.

Expenditure in foreign currency aggregated to Rs. 12.38 lakh (previous year: Rs. 10.47 lakh).

REPORT ON CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Company has, at present, the following nine Directors, out of whom five Directors are Non-Executive Independent Directors.

Dr. Anil K Khandelwal	Chairman
Ms. Minal Bhagat	Associate Director
Mr. Angus Stening	Associate Director
Mr. M. D. Mallya	Associate Director
Prof B. B. Bhattacharya	Independent Director
Dr. P N Khandwalla	Independent Director
Mr G. P. Gupta	Independent Director
Mr. Shiv Dayal	Independent Director
Mr. Rohit Arora	Independent Director

BOARD MEETINGS

The Board meets at least four times a year and the maximum gap between two meetings is not more than four months. During the financial year 2009-10, 4 meetings of the Board of Directors were held on May 06, 2009, July 08, 2009, November 12, 2009 and February 18, 2010.

BOARD COMMITTEE & WORKGROUPS

Audit Committee

The Audit Committee of the Board of Directors has been constituted in line with the provisions of Section 292A of the Companies Act, 1956. The Audit Committee comprises Mr. Rohit Arora, Mr. Angus Stening and Ms. Minal Bhagat. The Audit Committee of the Board of Directors held 4 meetings during the financial year 2009-10 on May 06, 2009, July 08, 2009, November 12, 2009 and February 18, 2010.

Investment Workgroup

The Investment Committee of the Board of Directors has been constituted in line with the Shareholders Agreement & SEBI (Mutual Funds) Regulations, 1996. The Investment Committee comprises Mr. Angus Stening, Ms. Minal Bhagat and Mr. Rajan Krishnan. The Investment Committee of the Board of Directors held 4 meetings during the financial year 2008-09 on June 03, 2009, July 08, 2009, November 11, 2009 and February 17, 2010.

Risk & Compliance Workgroup

The Risk & Compliance Committee of the Board of Directors has been constituted in line with the Shareholders Agreement. The Risk & Compliance Committee comprises Mr. Angus Stening, Ms. Minal Bhagat, Mr. Rajan Krishnan and the Compliance Officer. The Risk & Compliance Committee of the Board of Directors held 4 meetings during the financial year 2009-10 on June 03, 2009, July 08, 2009, November 11, 2009 and February 17, 2010.

ANNUAL GENERAL MEETINGS

The details of Annual General Meetings held during the last three years are given below:

AGM	DATE	VENUE
15 TH AGM	08.09.2007	Bank of Baroda Baroda Corporate Centre, C-26, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai- 51
16 th AGM	23.09.2008	Bank of Baroda Baroda Corporate Centre, C-26, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai- 51
17 th AGM	23.09.2009	Baroda Pioneer Asset Management Company Limited 501, Titanium, Western Express Highway, Goregaon (E), Mumbai- 400063

AUDITORS REPORT

The observation made by the Auditors in there are self-explanatory and therefore, do not call for any comments. However, we note that the Company has paid / provided for managerial remuneration to the Chief Executive Officer in excess of the limits approved by the Central Government vide letter dated 21st July 2009, as mentioned in the financial statements.

ACKNOWLEDGMENT

The Directors place on record their appreciation for the assistance and guidance rendered by the Securities and Exchange Board of India, Association of Mutual Funds in India, Reserve Bank of India, Bank of Baroda and Board of Trustees of Baroda Pioneer Mutual Fund. The Directors also thank the investors for having reposed their confidence in Baroda Pioneer Mutual Fund.

The Directors wish to take this opportunity to thank:

- M/s Karvy Computershare Private Limited, the Registrar and Share Transfer Agents of Baroda Pioneer Mutual Fund, for the services rendered by them.
- M/s SHAREX dynamic (India) Pvt. Ltd., the Registrar and Share Transfer Agents of Baroda Pioneer Asset Management Company Limited, for the services rendered by them.
- M/s Karvy Computershare Private Limited, HDFC Bank Limited and Bank of Baroda, for providing collection centers for various schemes of Baroda Pioneer Mutual Fund.
- Bank of Baroda, for helping in the sales and marketing of the schemes of Baroda Pioneer Mutual Fund and collection of investments all over the country.
- Citibank N.A, custodians of the schemes of Baroda Pioneer Mutual Fund, for the services rendered by them.

The Directors also appreciate the dedication and sense of commitment shown by the employees at all levels, and acknowledge their contribution towards the progress and performance of the Company.

For and on behalf of the Board of Directors

Sd/-

Dr. Anil K. Khandelwal
Chairman
Place : Mumbai
Date : July 23, 2010

Auditors' Report

To the Members of
Baroda Pioneer Asset Management Company Limited

We have audited the attached balance sheet of Baroda Pioneer Asset Management Company Limited ('the Company') as at 31 March 2010 and the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 and amendments thereto (together referred to as 'the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) 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;
- (iii) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the balance sheet and profit and loss account comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
- (v) on the basis of written representations received from the Directors, as on 31 March 2010, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31 March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act;
- (vi) *as explained in schedule 16.9 to the financial statements, the Company has paid / provided for managerial remuneration to the Chief Executive Officer in excess of the limits approved by the Central Government vide letter dated 21 July 2009 aggregating Rs.4,817,058; and*
- (vii) In our opinion and to the best of our information and according to the explanations given to us, *subject to the effect of the matter included in the paragraph (vi) above on the loss for the year and reserves as at 31 March 2010*, the said 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 31 March 2010; and
 - b) in the case of the profit and loss account, of the loss of the Company for the year ended on 31 March 2010.

For **B S R & Co.**
Chartered Accountants
Firm Registration No: 101248W

Sd/-

Akeel Master

Partner

Membership No: 046768

Place : Mumbai
Date : 13 May 2010

Annexure to Auditors' report - 31 March 2010

With reference to the annexure referred to in paragraph 3 of the Auditors' report to the members of Baroda Pioneer Asset Management Company Limited ('the Company') on the financial statements for the year ended on 31 March 2010, we report the following:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.
2. The Company is a service company, primarily rendering asset management services to Baroda Pioneer Mutual Fund. Accordingly it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.
3. According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve the purchase and sale of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of our audit.
5. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company.
9. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Sales tax, Employees' State Insurance, Excise Duty and Customs Duty.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Service tax and other material statutory dues were in arrears as at 31 March 2010 for a period of more than six months from the date they became payable.

Annexure to Auditors' Report - 31 March 2010 (Continued)

- c) Further, there are no dues on account of cess under section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
- d) According to the information and explanations given to us, there are no dues of Income-tax, Service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
10. The accumulated losses of the Company at the end of financial year are not more than 50% of its networth. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund, nidhi, mutual benefit fund or a society.
14. Based on information and explanations provided by the management, in respect of dealing and trading in shares and securities, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and securities have been held by the Company in its own name. As explained to us, the Company is not involved in dealing or trading of debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company did not have any term loans outstanding during the year.
17. According to the information and explanations given to us and based on overall examination of the balance sheet of the Company, the Company has not raised any short term funds for long term purposes.
18. As stated in paragraph 5 above, there are no companies / firms / parties covered in the register required to be maintained under section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no significant fraud on or by the Company has been noticed or reported during the year.

For **BSR & Co.**
Chartered Accountants
Firm Registration No: 101248W

Sd/-

Akeel Master

Partner

Membership No: 046768

Place : Mumbai
Date : 13 May 2010

Baroda Pioneer Asset Management Company Limited

Balance sheet as at 31 March 2010

(Currency: Indian rupees)

	<i>Schedule</i>	2010	2009
<u>SOURCE OF FUNDS</u>			
Shareholders' funds			
Share capital	3	289,710,000	289,710,000
Reserves and surplus	4	400,956,970	448,468,710
		690,666,970	738,178,710
<u>APPLICATION OF FUNDS</u>			
Fixed assets			
Gross block	5	51,714,576	47,046,557
Less: Accumulated depreciation		17,112,861	6,090,453
Net block		34,601,715	40,956,104
Add : Capital work-in progress		2,627,190	-
		37,228,905	40,956,104
Investments	6	12,737,616	78,333,434
Deferred tax assets (net)	16.2	-	8,557,933
Current assets, loans and advances			
Cash and bank balances	7	543,543,573	552,340,855
Sundry debtors	8	4,624,456	2,880,900
Loans and advances	9	93,989,149	81,820,134
		642,157,178	637,041,889
Current liabilities and provisions			
Current liabilities	10	21,654,269	22,711,128
Provisions	11	23,251,800	3,999,522
		44,906,069	26,710,650
Net current assets		597,251,109	610,331,239
Debit balance in the profit and loss account		43,449,340	-
		690,666,970	738,178,710
Significant accounting policies	2		
Notes to the accounts	16		

The schedules referred to above form an integral part of this balance sheet.

As per our attached report of even date.

For **B S R & Co.**
Chartered Accountants
Firm's Registration No: 101248W

For and on behalf of the Board of Directors
Baroda Pioneer Asset Management Company Limited

Sd/-
Akeel Master
Partner
Membership No: 046768

Sd/-
Mrs. Minal Bhagat
Director

Sd/-
A. Stening
Director

Sd/-
R. Krishnan
Chief Executive Officer

Sd/-
K.K. Kushwaha
Company Secretary

Mumbai
13 May 2010

Mumbai
13 May 2010

Baroda Pioneer Asset Management Company Limited

Profit and loss account for the year ended 31 March 2010

(Currency: Indian rupees)

	Schedule	2010	2009
Income			
Investment management fees {Tax deducted at source Rs.6,140,275 (Previous year: Rs.922,687)}		52,860,705	7,272,942
Profit on sale of investments		30,299,078	10,199,601
Other income	12	50,905,592	51,196,572
		134,065,375	68,669,115
Expenditure			
Employee cost	13	78,187,321	37,031,713
Administrative and other operating costs	14	124,153,729	73,630,291
Depreciation	5	11,811,327	2,016,047
Diminution in value of investments		313	25,077,990
		214,152,690	137,756,041
Loss before prior period items and tax		(80,087,315)	(69,086,926)
Prior period items	15	2,315,831	-
Loss before tax		(82,403,147)	(69,086,926)
Provision for tax			
- Income tax		-	-
- Fringe benefits tax		-	550,000
- Deferred tax charge / (credit)		8,557,933	(8,429,630)
Loss after tax		(90,961,080)	(61,207,296)
Balance at the beginning of the year		47,511,740	108,719,036
Balance carried forward to the balance sheet		(43,449,340)	47,511,740
Basic earnings per equity share of face value Rs 10 each		(3.14)	(2.28)
Significant accounting policies	2		
Notes to the accounts	16		

The schedules referred to above form an integral part of this profit and loss account.
As per our attached report of even date.

For **B S R & Co.**

Chartered Accountants
Firm's Registration No: 101248W

Sd/-
Akeel Master
Partner
Membership No: 046768

For and on behalf of the Board of Directors
Baroda Pioneer Asset Management Company
Limited

Sd/-
Mrs. Minal Bhagat
Director

Sd/-
A. Stening
Director

Sd/-
R. Krishnan
Chief Executive Officer

Sd/-
K.K. Kushwaha
Company Secretary

Mumbai
13 May 2010

Mumbai
13 May 2010

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Currency: Indian rupees)

1 Background

Baroda Pioneer Asset Management Company Limited (the 'Company') was incorporated on 5 November 1992 as a public limited company.

On 27 June 2008, Pioneer Global Asset Management S.p.A (PGAM), a company incorporated in Italy, has acquired 51% stake in the Company. Post the acquisition, the Company has become a subsidiary of PGAM.

The principle activity of the Company is to act as an investment advisor to Baroda Pioneer Mutual Fund ("the Fund"). The Company manages the investment portfolio and provides various administrative services to the Fund.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act') and the accounting principles generally accepted in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable.

The Company is a Small and Medium Sized Company ('SMC') as defined in the General instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with Accounting Standards as applicable to a SMC.

2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Currency: Indian rupees)

2 Significant accounting policies (Continued)

2.3 Fixed assets and depreciation

a) Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the assets.

b) Depreciation is provided on the written down value method other than computers including computer software and leasehold improvements. The Computers are depreciated on straight line basis over the useful life and leasehold improvements are depreciated over the period of lease or useful life, whichever is shorter.

c) The rates of depreciation prescribed in Schedule XIV to the Act are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the managements estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation on fixed assets has been provided for at the following rates:

Class of asset	Rate of depreciation
Furniture and fixtures	18.10%
Motor vehicles	25.89%
Office equipment	18.10%
Computers including computer software	33.33%
Leasehold improvements	Over the period of lease or useful life, whichever is shorter

d) The Company provides pro-rata depreciation from the date the asset is put to use and for any asset sold, until the last date of sale.

e) Fixed assets individually costing Rs.5,000 or less are fully depreciated in the year of purchase / acquisition.

f) *Impairment of assets:*

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Currency: Indian rupees)

2 Significant accounting policies (*Continued*)

2.4 Revenue Recognition

Investment management fees

Investment management fees are recognised net-off service tax on an accrual basis as a percentage of the average daily net assets of the schemes of Baroda Pioneer Mutual Fund (excluding on investments made by the Company in the schemes and intra-scheme investments), such that it does not exceed the rates prescribed by the Securities and Exchange Board of India ('SEBI') (Mutual Fund) Regulations, 1996 and any further amendments (the 'Regulations') or offer document of the respective schemes.

Other income

Interest income is accounted for on period proportion basis.

Dividend income is recognized when the right to receive dividend is established.

Purchase and sale of investments is recorded on the trade date. The profit / loss on sale of investments is recognised in the profit and loss account on the trade date. Profit or loss on sale of investments is determined using simple average cost method.

2.5 Scheme related expenses

Annual recurring expenses relating to schemes of the Fund which are in excess of internal expense limits are borne by the Company. The internal expense limits are within the overall expense limits prescribed by the Regulations or offer document of the respective schemes.

2.6 Investments

Investments are classified as long term or current based on intention of the management at the time of purchase.

Current investments are carried at the lower of cost or market value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the profit and loss account. The comparison of cost and market value is done separately for each individual investment.

2.7 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense in the profit and loss account on a straight-line basis over the lease period.

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Currency: Indian rupees)

2 Significant accounting policies (*Continued*)

2.8 Earning per share

The basic earning per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

2.9 Retirement benefits

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present value of estimated future cash flows. The discount rate used for determining the present value is based on the market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Actuarial gains and losses are recognized immediately in the profit and loss account.

Provident fund

The Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the profit and loss account.

Compensated absences

The Company provides for compensated absences based on actuarial valuation of the leave liability as at the balance sheet date, carried out by an independent actuary.

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Currency: Indian rupees)

2 Significant accounting policies (*Continued*)

2.10 Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and fringe benefit tax.

Current taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in the future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

The Company recognizes deferred taxes in respect of those originating timing differences, which reverse after the tax holiday period, resulting in tax consequences. Timing differences which originate and reverse within the tax holiday period do not result in tax consequence and, therefore, no deferred taxes are recognized in respect of the same.

2.11 Transactions in foreign currency

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. Exchange difference, if any, arising out of foreign exchange transactions settled during the year are recognized as income or expense in the profit and loss account.

Monetary assets and liabilities, denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognised in the profit and loss account.

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Currency: Indian rupees)

2 Significant accounting policies (*Continued*)

2.12 Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements (Continued)

as at 31 March 2010

(Currency: Indian rupees)

	2010	2009
3 Share capital		
Authorised		
35,000,000 (Previous year : 35,000,000) equity shares of Rs.10 each	<u>350,000,000</u>	<u>350,000,000</u>
	<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid-up		
28,971,000 (Previous year : 28,971,000) equity shares of Rs.10 each fully paid up	<u>289,710,000</u>	<u>289,710,000</u>
	<u>289,710,000</u>	<u>289,710,000</u>
Of the above:		
14,775,210 (Previous year : 14,775,210) equity shares of Rs. 10 each are held by Pioneer Global Asset Management S.p.A., the holding company		
4 Reserves and surplus		
Securities premium account		
Balance at the beginning of the year	400,956,970	-
Additions during the year	-	400,956,970
Balance at the end of the year	<u>400,956,970</u>	<u>400,956,970</u>
Profit and loss account	-	47,511,740
	<u>400,956,970</u>	<u>448,468,710</u>

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements (*Continued*)

as at 31 March 2010

(Currency: Indian rupees)

5 Fixed assets

Description	Gross block				Depreciation				Net block	
	As at 1 April 2009	Additions	Deductions	As at 31 March 2010	As at 1 April 2009	For the year	Deductions	As at 31 March 2010	As at 31 March 2010	As at 31 March 2009
Motor car	487,521	-	487,521	-	425,658	-	425,658	-	-	61,863
Computers	15,749,358	4,101,959	5,800	19,845,517	4,162,468	5,136,899	758	9,298,609	10,546,908	11,586,890
Software	2,632,334	589,761	-	3,222,095	223,857	1,015,679	-	1,239,536	1,982,559	2,408,477
Furniture and fixtures	4,424,899	-	-	4,424,899	192,999	768,088	-	961,087	3,463,812	4,231,900
Office equipment	9,987,773	595,418	401,950	10,181,241	580,346	1,797,930	362,503	2,015,773	8,165,468	9,407,427
Leaseholds improvements	13,764,672	276,152	-	14,040,824	505,125	3,092,731	-	3,597,856	10,442,968	13,259,547
Total	47,046,557	5,563,290	895,271	51,714,576	6,090,453	11,811,327	788,919	17,112,861	34,601,715	40,956,104
Previous year	5,334,990	42,731,810	1,020,243	47,046,557	4,791,016	2,016,047	716,610	6,090,453	40,956,104	

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements *(Continued)*

as at 31 March 2010

(Currency: Indian rupees)

	2010	2009
6 Investments		
Current investments (valued at cost or market value whichever is lower)		
Non trade, quoted		
Equity Shares		
613 (Previous year: 613) shares of Cinemax (India) Limited of Rs. 10 each	39,048	28,075
Mutual Fund units (net asset value)		
1,225,544.919 (Previous year: Nil) units of Baroda Pioneer Treasury Advantage Fund Regular Growth Plan of Rs. 10 each	12,687,605	-
Nil (Previous year: 2,344,294.539) units of Baroda Pioneer Diversified Fund Dividend Plan of Rs. 10 each	-	50,425,776
Nil (Previous year: 69,680.623) units of Baroda Pioneer Liquid Fund Growth Plan of Rs. 10 each	-	1,054,317
Nil (Previous year: 101,081.046) units of Baroda Pioneer Liquid Fund Daily dividend Plan of Rs.10 each	-	1,010,876
Nil (Previous year: 39,923.325) units of Baroda Pioneer Income Fund Growth Plan of Rs. 10 each	-	474,842
Nil (Previous year: 71,906.980) units of Baroda Pioneer Balance Fund Growth Plan of Rs. 10 each	-	863,458
Nil (Previous year: 15,124.597) units of Baroda Pioneer Growth Fund Growth Plan of Rs. 10 each	-	193,185
Nil (Previous year: 529,322.013) units of Baroda Global Fund Growth Plan of Rs. 10 each	-	4,271,629
Non trade, unquoted		
Government securities		
100 (Previous year: 100) 11.03% GOI 2012 Bonds of Rs. 100 each	10,963	11,276
Bonds		
Nil (Previous year: 200) 14.3% Bank of Baroda Bonds Series II (option III) of Rs.100,000 each	-	20,000,000
	<u>12,737,616</u>	<u>78,333,434</u>

The aggregate book value and market value of quoted investments and book value of unquoted investments is as follows:

Quoted investments		
- Aggregate book value	12,726,653	58,322,158
- Aggregate market value	12,735,816	59,002,275
Aggregate book value of unquoted investments	10,963	20,011,276

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements *(Continued)*

as at 31 March 2010

(Currency: Indian rupees)

6 Investments *(Continued)*

Scheme	2010		2009	
	Purchase	Redeemed	Purchase	Redeemed
Current investments				
Baroda Pioneer Balance Fund - Growth Option	-	71,906.980	-	5,320.932
Baroda Global Fund - Growth Option	-	529,322.013	-	231,822.287
Baroda Pioneer Income Fund - Growth Plan	-	39,923.325	-	45,176.370
Baroda Pioneer Liquid Fund - Growth Option	-	69,680.623	4,035,166.650	7,663,217.470
Baroda Pioneer Liquid Fund - Daily Dividend Option	2,485.215	103,566.262	1,081.046	-
Baroda Pioneer Diversified Fund - Dividend	-	2,344,294.539	-	-
Baroda Pioneer Treasury Advantage Fund Regular Growth Plan	4,048,648.900	2,823,103.981	-	-
Baroda Pioneer Liquid Fund Daily dividend Institutional Plan	1,009,200.496	1,009,200.496	-	-
Baroda Pioneer Growth Fund - Growth	-	15,124.597	-	69,377.586

Statement showing purchase and redemption of investments (in units)

Purchase includes dividend re-invested in units

	2010	2009
7 Cash and bank balances		
Cash in hand	31,733	10,137
Balance with scheduled banks :		
- in current account	593,613	5,127,523
- in deposit accounts	542,918,227	547,203,195
	<u>543,543,573</u>	<u>552,340,855</u>
8 Sundry debtors <i>(Unsecured and considered good)</i>		
Debts outstanding for a period exceeding six months	-	-
Other debts	4,624,456	2,880,900
	<u>4,624,456</u>	<u>2,880,900</u>
9 Loans and advances <i>(Unsecured, considered good unless otherwise stated)</i>		
Advances recoverable in cash or in kind or for value to be received	40,372,908	42,629,586
Prepaid expenses	2,027,775	750,113
Deposits	33,187,500	33,059,856
Advance tax (net of provisions Rs 15,081,098; Previous year : Rs 15,706,800)	28,400,966	15,380,579
Less : Provision for doubtful advances	(10,000,000)	(10,000,000)
	<u>93,989,149</u>	<u>81,820,134</u>

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements *(Continued)*

as at 31 March 2010

(Currency: Indian rupees)

	2010	2009
10 Current liabilities		
Sundry creditors	1,085,525	4,612,755
Statutory dues	254,349	4,402,107
Accrued expenses	10,064,972	4,692,130
Other payables	10,249,423	9,004,136
	<u>21,654,269</u>	<u>22,711,128</u>
11 Provisions		
Provision for bonus	19,172,023	2,498,695
Provision for gratuity	1,303,779	644,169
Provision for compensated absences	2,775,998	856,658
	<u>23,251,800</u>	<u>3,999,522</u>
12 Other income		
Interest on debentures and bonds {Tax deducted at source Rs. Nil (Previous year: Rs. 238,396)}	63,785	2,982,735
Interest on fixed deposit with banks {Tax deducted at source Rs.5,730,192 (Previous year: Rs. 2,517,317)}	49,359,263	48,148,906
Profit on sale of fixed asset	-	7,500
Dividend income	124,101	11,796
Miscellaneous income	1,358,442	45,635
	<u>50,905,591</u>	<u>51,196,572</u>
13 Employee cost		
Salary, bonus and allowances	67,415,540	32,280,855
Contribution to provident fund	3,361,856	1,968,212
Staff welfare	7,409,925	2,782,646
	<u>78,187,321</u>	<u>37,031,713</u>

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements *(Continued)*

as at 31 March 2010

(Currency: Indian rupees)

	2010	2009
14 Administrative and other operating costs		
Rent	36,739,060	21,762,908
Legal and professional fees	7,866,074	8,584,417
Auditors' remuneration :		
- Audit fees	650,000	650,000
- Tax audit fees	200,000	200,000
- Out of pocket expenses	15,030	-
Travelling and conveyance	6,389,991	3,695,206
Printing and stationery	3,484,739	1,379,201
Repairs and maintenance - others	1,358,655	1,727,384
Communication	6,993,635	1,059,666
Electricity charges	4,391,882	2,123,467
Advertisement and publicity	1,100,419	396,317
Information technology	11,468,309	10,160,396
Provision for doubtful advances	-	10,000,000
Membership and registration fees	621,053	1,423,868
Director sitting fees	380,000	420,000
Sales promotion	8,850,147	1,382,701
Brokerage	4,375,408	-
Insurance	652,969	435,110
Fund accounting expenses	5,881,596	600,000
Scheme related expenses	19,541,574	4,055,643
Postage, freight and couriers	1,219,645	429,536
SEBI fees	576,803	503,500
Recruitment and consultancy charges	425,085	1,263,588
Miscellaneous expenses	971,654	1,377,383
	124,153,728	73,630,291

Baroda Pioneer Asset Management Company Limited

Schedules to the financial statements *(Continued)*

as at 31 March 2010

(Currency: Indian rupees)

	2010	2009
15 Prior period items		
Recruitment and consultancy charges	1,686,594	-
Travelling and conveyance	224,819	-
Scheme related expenses	404,418	-
	<hr/>	<hr/>
	2,315,831	-
	<hr/> <hr/>	<hr/> <hr/>

16 Notes to the accounts

16.1 Related party disclosures

(A) Names of related parties by whom control is exercised

Name of the related party	Relationship
Pioneer Global Asset Management Limited S.p.A (PGAM)*	Holding company
UniCredit S.p.A	Ultimate holding company of PGAM

(B) Parties under common control

Fellow subsidiaries / associate companies with whom transactions have taken place during the year

Name of the related party	Relationship
Pioneer Investment Management Company Limited – Singapore Branch	Subsidiary of PGAM

(C) Parties with significant influence

Name of the related party	Relationship
Bank of Baroda Baroda Pioneer Mutual Fund	49% shareholder in the Company Sponsored by PGAM and Bank of Baroda

(D) Key management personnel

Mr. S Bhattacharya – Managing Director***

Mr. Rajan Krishnan – Chief Executive Officer****

16 Notes to the accounts (Continued)

16.1 Related party disclosures (Continued)

(E) Transactions with related parties

Particulars	2010	2009
1. PGAM		
- Professional fees	4,011,000	2,307,948
2. Bank of Baroda (holding company) **		
- Payment of rent	-	308,700
- Interest earned on fixed deposits and bonds	-	17,12,086
- Salary and wages	-	352,846
3. Bank of Baroda (significant influence) *		
- Payment of rent	-	4,116,000
- Interest earned on fixed deposits and bonds	36,234,289	39,663,845
- Salary reimbursement	-	245,021
4. Pioneer Investment Management Company Limited - Singapore Branch		
- Purchase of software license	-	564,928
5. Baroda Pioneer Mutual Fund		
- Purchase	51,723,366	59,605,876
- Redemption	127,843,984	118,608,596
- Investment management fees	52,860,705	7,272,942
- Dividend income	124,101	10,876
- Scheme related expenses	19,940,963	4,055,643
- Expenses paid on behalf of schemes	109,001	-
6. Key management personnel		
- Salary, bonus and allowances	15,512,062	11,679,269
- Perquisites	485,000	452,862

16 Notes to the accounts (Continued)

16.1 Related party disclosures (Continued)

(F) Balances with related parties

Particulars		2010	2009
1. PGAM			
- Professional expenses	Payable	2,539,670	2,065,971
2. Bank of Baroda			
- Current liabilities	Payable	-	137,121
- Bank balance	Receivable	255,139	5,127,523
- Fixed deposit with net accrued interest	Receivable	437,359,335	460,323,977
- Investment in bonds	Receivable	-	20,000,000
- Loans and advances	Receivable	-	22,336
3. Baroda Pioneer Mutual Fund			
- Management fee	Receivable	4,515,455	2,880,900
- Expenses incurred on behalf of scheme	Receivable	109,001	-
- Scheme related expenses	Payable	7,709,753	6,801,045
4. Key management personnel			
- Salary, bonus and allowances	Payable	4,850,992	210,360

* with effect from 27 June 2008

** till 26 June 2008

*** till 7 July 2008

**** with effect from 8 July 2008

Note: The above excludes transactions in the ordinary course of business with Bank of Baroda on account of fixed deposit and current account.

16 Notes to the accounts (Continued)

16.2 *Deferred taxation*

Particulars	2010	2009
Deferred tax assets (A)		
Rent	949,946	279,820
Provision for gratuity	443,154	212,482
Provision for compensated absences	943,562	293,726
Diminution in value of investments	106	8,511,538
Provision for bonus	6,516,571	762,166
Provision for doubtful advances	3,399,000	-
Carried forward loss as per the Income-tax Act	44,732,591	-
Deferred tax liability (B)		
Depreciation on fixed assets	(1,537,474)	(1,501,799)
Deferred tax assets (net) {(A) – (B)}	55,447,456	8,557,933
Deferred tax assets recognised in the balance sheet	Nil	8,557,933

Deferred tax assets on timing differences which are expected to reverse in the subsequent period have been recognized to the extent of deferred tax liability as there is reasonable certainty regarding its realisation. Since the Company has carried forward loss under taxation laws, deferred tax assets are not recognised as there is no virtual certainty of realisation of such assets.

16.3 *Capital commitments and contingent liabilities*

The Company has no capital commitments or contingent liabilities as at 31 March 2010 (previous year: Nil)

16.4 *Operating leases*

The total lease payments recognised in the current year's profit and loss account towards non-cancellable operating lease amounts to Rs 34,840,540 (Previous year – Rs 20,849,568) which includes Rs 1,971,538 (Previous year: Rs 823,243) provision towards straight lining of lease rentals.

The Company has not sub-leased any of the above lease premises.

There are no provisions relating to contingent rent.

The terms of renewal / purchase option and escalation clauses are those normally prevalent in similar agreements.

There are no undue restrictions or onerous clauses in the agreements.

16 Notes to the accounts (Continued)

16.5 Employee benefits

The following disclosures have been set out in accordance with the requirement of Accounting Standard 15 (revised 2005) on "Employee Benefits" prescribed by the Companies (Accounting Standards) Rules, 2006.

Key assumptions used to determine the net periodic gratuity cost were as follows:

	2010	2009
Valuation method	Projected unit credit method	Projected unit credit method
Discount rate	7.80%	7.00%
Salary growth rate	7.00%	7.00%
Normal retirement age	60 years	60 years
Attrition rate	10%	2% to 10%
Mortality rate	LIC (94-96) Ultimate	LIC (94-96) Ultimate
Amortization of actuarial gain / loss	Immediate	Immediate

a) Discount Rate:

The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

b) Salary Escalation Rate:

The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant economic factors.

16 Notes to the accounts (Continued)

16.6 Earnings per share

In accordance with Accounting Standard 20 on Earnings Per Share, the computation of earnings per share is set out below:

	2010	2009
Earning per share		
Net loss after tax attributable to equity shareholders (A) - Rs.	(90,961,080)	(61,207,296)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	28,971,000	20,000,000
Number of shares issued during the year	-	8,971,000
Total number of equity shares outstanding at the end of the year	28,971,000	28,971,000
Nominal value of the equity shares – Rs (per share)	10	10
Paid up value of the equity shares – Rs (per share)	10	10
Weighted average number of shares at Rs. 10/- paid up per share equivalent (B)	28,971,000	26,832,707
Basic loss per share of face value of Rs.10 for the year (A) / (B) - Rs.	(3.14)	(2.28)

16.7 Unhedged foreign currency exposure

The unhedged foreign currency exposure as on 31 March 2010 is given below:

	2010		2009	
	Foreign currency	Indian rupee	Foreign currency	Indian rupee
Payables				
Euro	88,024	5,321,272	34,373	2,322,342
Singapore dollar	47	1,495	-	-

16 Notes to the accounts (Continued)

16.8 *Transfer pricing*

The Company has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income tax Act, 1961. The management is of the opinion that all international transactions are at arm's length so that the above legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxes.

16.9 *Managerial remuneration:*

Particulars	2010	2009
Salary and allowances *	15,512,062	11,679,269
Perquisites **	485,000	452,862
TOTAL	15,997,062	12,132,131

* Information relating to managerial remuneration does not include provision for gratuity, compensated absences and premium towards group term life, which are provided on an overall basis.

** Valuation of perquisites considered is the fair value of perquisites as estimated by the management.

During the year, the remuneration paid / provided to the Chief Executive Office has exceeded the limits approved by the Central Government vide letter no. SRN/A 46083671/3/2009-CL VII dated 21 July 2009 by Rs. 4,817,058. Subsequent to that the Company has applied to the Central Government for approval of remuneration of Rs. 1,350,000 per month (16,200,000 per annum) for the period from 8 July 2008 to 7 July 2010. The Central Government approval is awaited.

16.10 *Earnings in foreign exchange (on accrual basis) - Nil*

16.11 *Expenditure in foreign exchange (on accrual basis)*

Particulars	2010	2009
Travelling and conveyance	274,557	487,545
Purchase of software	514,848	559,441
Purchase of computers	937,837	-
Legal and professional fees	3,994,440	-
Recruitment and consultancy charges	1,686,594	-
Communication	4,975,496	-
Total	12,383,772	1,046,986

16 Notes to the accounts (Continued)

16.12 Dues to Micro, Small and Medium Enterprises

On the basis of the information and records available, there are no dues to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

16.13 Quantitative details

The activities of the Company are not capable of being expressed in any generic unit and hence it is not possible to give the quantitative details required under paragraph 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956.

16.14 Prior year comparatives

Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

**For and on behalf of the board
Baroda Pioneer Asset Management Company Limited**

Sd/-
Mrs. Minal Bhagat
Director

Sd/-
A. Stening
Director

Sd/-
R. Krishnan
Chief Executive Officer

Sd/-
K.K. Kushwaha
Company Secretary

Mumbai
13 May 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

1. REGISTRATION DETAILS

Registration No. : 6 9 4 1 4
State Code : 11
Balance Sheet Date : 31.3.2010

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue : N I L
Rights Issue : N I L
Bonus Issue : N I L
Private Placement : N I L

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT IN Rs.Thousand)

Total Liabilities : 69,06,67
Total Assets : 69,06,67

SOURCES OF FUNDS (Amount in Rs. Thousand)

Paid up Capital : 28,97,10
Reserves & Surplus : 40,09,57
Secured Loans : N I L
Unsecured Loans : N I L

APPLICATION OF FUNDS (Amount in Rs. Thousand)

Net Fixed Assets : 3,72,29
Investment : 1,27,38
Net Current Assets : 59,72,51
Miscellaneous Expenditure : N I L
Deferred Tax Asset : N I L
Accumulated Losses : 4,34,49

IV PERFORMANCE OF THE COMPANY (Amount in Rs. Thousand)

Turnover : 13,40,65
Total Expenditure : 21,64,68
Profit Before Tax : (8,24,03)
Profit After Tax : (9,09,61)
Earnings Per share (In Rs.) : (3.14)
Dividend % : N I L

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF CO.

Item Code No. (ITC Code) : N I L
Product Description : ASSET MANAGEMENT
Item Code No. (ITC Code) : N I L
Product Description : INVESTMENT ADVISORY SERVICES

BARODA PIONEER ASSET MANAGEMENT COMPANY LTD.

PROXY FORM

I/We _____ of _____
_____ in the district of _____ being a
member/ members of the above named Company hereby appoint
_____ of _____ failing
him
_____ of _____ in the
district
of _____ as my/our proxy to vote for me/us
and on

my/our behalf at the Eighteenth Annual General Meeting of the Company to be held
on Friday, 3rd September 2010 and at any adjournment thereof.

Signed this _____ day of _____ 2010

Signature

Revenue
Stamp

Note: The proxy form should be deposited at the Registered Office of the Company at
Mumbai not less than (48) forty-eight hours before the meeting.

BARODA PIONEER ASSET MANAGEMENT COMPANY LTD.

I hereby record my presence at the 18th Annual General Meeting of the Company to be
held at 501, Titanium, 5th Floor, Western Express Highway, Goregaon (E), Mumbai -
400063 on Friday, September 3, 2010 at 3.00 p.m.

Full Name of
Shareholders: _____

Folio No: _____, No. of Shares held: _____

Signature _____
Member's/ Proxy Signature

Please complete this attendance slip and hand over at the entrance of the hall