

# 18TH ANNUAL REPORT 2011-2012



**Provostment Services Limited**  
Ultimate Business Endeavors

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WWW.PROVESTMENT.NET ,



## PROVESTMENT SERVICES LIMITED

<b>BOARD OF DIRECTORS</b>	<b>MR. PRAVEEN BHATIA</b> : WHOLE TIME DIRECTOR <b>MR. VINOD RALHAN</b> : DIRECTOR <b>MR. GAURAV BHATIA</b> : DIRECTOR <b>MR. ANIL LAKHANI</b> : DIRECTOR
<b>COMPLIANCE OFFICER</b>	MRS. DEEPIKA RAJPUT
<b>AUDITORS</b>	M/s AHUJA ARUN & Co. Chartered Accountants 412, Deepshikha Building, Rajendra Place, New Delhi- 110 008
<b>BANKERS</b>	PUNJAB & SIND BANK IFB, Connaught Place, New Delhi.
<b>REGISTERED OFFICE</b>	Building No.5, First Floor, Pusa Road, W.E. A. Karol Bagh, New Delhi-110 005 <a href="http://www.provestment.net">www.provestment.net</a>

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# **PROVESTMENT SERVICES LIMITED**

## **NOTICE**

Notice is hereby given that the 18th Annual General Meeting of the Company will be held on Saturday, the 29th day of September, 2012 at 09.30 A.M. at B- 4/148 C, Safdarjung Enclave, New Delhi- 110 029 for transacting the following business:

:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Accounts for the financial year ended on 31<sup>st</sup> March, 2012 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Gaurav Bhatia, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint Statutory Auditors for the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, to fix their remuneration and to authorize them also to conduct audit of accounts of the Company's branches.

By the order of the Board

Place : New Delhi  
Dated : 14.08.2012

Sd/-  
(Deepika Rajput)  
Company Secretary

### **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK FORM OF PROXY IS ENCLOSED.**
2. The Register of Members of the Company will remain closed from Saturday, 22<sup>nd</sup> September, 2012 to Saturday, 29<sup>th</sup> September, 2012(both days inclusive).
3. M/s Beetal Financial & Computer Services (P) Ltd., Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110 062 is Registrar and Share Transfer Agent for physical shares of the Company. M/s Beetal Financial & Computer Services (P) Ltd is also the depository interface of the Company with both NSDL and CDSL.
4. Shareholders are requested to notify change in their address along with PIN CODES, to the Company at its Registered Office quoting their Folio Numbers.

5. Shareholders, who are holding shares in identical order of name in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holding in one folio.
6. Members are requested to bring their copy of Annual Report. No extra copy would be available for distribution at the meeting.
7. Shareholders/ Proxy are requested to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
8. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification
9. The members intending to seek any information on Annual Accounts at the meeting are requested to kindly inform the Company at least 10 days before the date of the meeting.
10. No Hand bags/ Parcels of any kind be allowed inside the meeting hall. The same will have to be deposited outside the Meeting hall on the counter provided, at the shareholders'/ proxies' own risks.



# **PROVESTMENT SERVICES LIMITED**

## **DIRECTORS' REPORT**

Dear Members,

### **PERFORMANCE:**

Your Directors have pleasure to present the 18<sup>th</sup> Annual Report along with audited accounts of the Company for the period ended 31<sup>st</sup> March, 2012.

### **FINANCIAL DATA**

	<b>(In Rs.)</b>	
	<b>Current Year</b>	<b>Previous Year</b>
	<b>(2011-2012)</b>	<b>(2010-2011)</b>
Profit before Depreciation	7157319	8325665
Less:- Depreciation	1579826	1530433
Profit/(Loss) before Tax	5577493	6795232
Less:- Provision for Tax	1062791	1520026
Less: Deferred Tax	795133	387684
Less: Transfer to Reserves	<u>1500000</u>	<u>1500000</u>
Profit/(Loss) after tax and appropriation	2219569	3387522
Opening Balance	15294522	11907000
General Reserve	<u>4500000</u>	<u>3000000</u>
Reserve and Surplus carried to Balance	<u><b>22014091</b></u>	<u><b>18294522</b></u>

### **REVIEW OF PERFORMANCE**

During the year 2011-12, your Company recorded profit before tax of Rs.55.77 Lacs (previous year Rs 67.95 Lacs). Although the Company is doing well but due to stiff competition in the market and reduction in commission on sale of tickets by the airlines companies our profit turns down this year.

### **DIVIDEND**

The Directors in view of the current scenario to carry out the future plans it is necessary to conserve the resources. Your directors are of the opinion of retaining the profits for the year within the Company, and thus have not recommended any dividend for the year ended 31<sup>st</sup> March 2012.

### **DIRECTORS**

In accordance with the provisions of The Companies Act, 1956 and Articles of Association of the Company Sh. Gaurav Bhatia retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment. Mr. Gurdev Singh VEDI has resigned during the year. (Resignation w.e.f. 31.12.2011).

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> march 2012 the applicable accounting standards had been followed and no material departure have been made from the same;
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the Company for the year under review;
- (iii) That Directors 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;
- (iv) That Director has prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2012 on a 'going concern' basis.

## FIXED DEPOSITS

The Company has not accepted any deposit covered by Companies (Acceptance of Deposit) Rules, 1975.

## DEMATERIALIZATION OF EQUITY SHARES

The company's equity shares are available for trading in the Depository system of both the National Securities Depository Limited (NSDL) and the central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allotted by NSDL and CDSL to the company is **INE438C01010**. The Demat status of the Company as on March 31, 2012 is as under:-

Particulars	No of Shares	Percentage
<b>Electronic Mode</b>		
NSDL	3500645	68.600
CDSL	340782	6.678
<b>Total Demat Holding</b>	<b>3841427</b>	<b>75.278</b>
<b>Physical Mode</b>	<b>1261573</b>	<b>24.722</b>
<b>Total Shares</b>	<b>5103000</b>	<b>100.00</b>

## CORPORATE GOVERNANCE

Your Company has successfully implemented the mandatory provisions of Corporate Governance in accordance with the provisions of Clause 49 of the Listing Agreement of the Stock Exchanges. Separate Report on Corporate Governance and Management Discussion & Analysis are included in the Annual Report and Certificate dated 14.08.2012 of the Auditors of your Company confirming the compliance of conditions of Corporate Governance is also annexed thereto.

## PARTICULARS OF EMPLOYEES

There was no employee in respect of whom information is required to be given pursuant to section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended up-to-date.

## **AUDITORS**

Ahuja Arun & Co. ,Chartered Accountants, the existing auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment. The Company has received audit report from Ahuja Arun & Co., Chartered Accountants and your directors do not observe any adverse remark therein.

## **INDUSTRIAL RELATIONS**

During the year under review, your Company had amiable and pleasant industrial relations at all levels of the Organization.

## **SUBSIDIARY COMPANY**

There was no Subsidiary Company during the year under review.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

The information required under Section 217 (1) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

## **THE YEAR IN RETROSPECT**

### **PROFOREX MONTHLY NEWS LETTER:**

As your Company is RBI authorized Full Fledged Money Changers operating in India. This year we have completed 8 years of serving newsletter to our clients around 3000 copies every month to all business segments such as exporters, MNC's, professional organizations, traders, travel agents, Government organizations and other corporate and has gained substantial recognition.

### **PACKAGING EXHIBITIONS:**

Your Company has also been carrying on end to end travel services for Packaging Exhibitions for clients engaged in the packaging industry. These Exhibitions include Drupa in Germany and CPHI in Shanghai etc.

### **WEBSITE:**

Your company with a view to strengthen its brand image and also offer its prospective customers ease of navigation, had revamped its website, [www.provestment.net](http://www.provestment.net) and the website now neatly categorizes various businesses carried out by your company.

### **BSE INDONEXT LISTING AND TRADING:**

The equity shares of the Company has been traded at the traded at BSE under INDONEXT SEGMENT w.e.f. 10<sup>th</sup> June, 2011 after obtaining its principal approval for trading of 51,03,000 fully paid up equity shares of the Company.

### **TRAVEL INDUSTRY: A RETROSPECT**

The recent global financial meltdown is definitely going to have an impact on the Indian economy as well and the tourism is usually a casualty in such troubled times. However, the Indian domestic and outbound travel industry still remains strong and is expected to tide over the crisis period much better. We have no doubts that given the proper importance and direction, the tourism and hospitality industry has the potential to emerge as the single largest employer in the country in the coming years.

## **FUTURE TRENDS IN INDIAN TRAVEL INDUSTRY**

- Travel is the largest e-commerce category in India.
- Dynamic Packages by tour and travel agents will be one of the growth drivers for the industry this year.
- India is one of the most prospective markets for tourism in the world. There are so many India travel packages offered by India Tourism for foreigners all over India.
- India with its 8 per cent GDP growth rate and stable economy has witnessed an all around development, especially in the travel and tourism sector.
- In coming years, India will surely maintain and strengthen its positioning as a world tourism destination, thanks to the government and tourism initiatives and other such campaigns.

## **EXPANSION IN TRAVEL VERTICAL**

Your Company realized the need for having all travel related services to cater to all types of clients and to improve more top line and bottom line of the Company. With this objective in mind, the Company has started FIT division (Free Independent Travel), GIT Division (Group Incentive Tours) along with specialized services to Corporate Clients. This has been very effective and the Company has added reputed Corporate Clients.

## **ONLINE TRAVEL PORTAL:**

Because of the importance of online travel portal and its convenience to the customers to book Air Tickets at their comfort and even to pay online, the Company has launched the travel portal **www.proyatra.com** during the year. The response is very positive and will expect to grow in coming years.

## **BRANCHES FOR FPMC:**

As your Company has obtained Licence from Reserve Bank of India to open four branches at Indira Puram (Ghaziabad), Jalandhar, Amritsar and Indore for full fledged money changers. This is to inform you that the operation at all the branches has started during the year. These branches would focus on all travel needs of the customers.

## **FOREX BUSINESS:**

Your Company is an RBI approved Foreign Exchange dealer and has been doing handsome business in currency conversion for clients. We wish to provide single window service to our clients which includes Air Tickets-both domestic and International, Currency Conversion, Visa Assistance. We have already opened four branches in India to enhance the facilities of foreign exchanges.

## **OVERSEAS OFFICES:**

The Company has been planning to open offices in overseas countries to promote the travel business. This would enable interactions with the suppliers directly and offer best rates for hotels, transport and cruise for the Indian tourist traveling abroad.



**ACKNOWLEDGEMENTS:**

Your Directors place on record their gratitude to the Government Departments, Company's Bankers for the assistance, co-operation and encouragement they extended to the company. For the continuing support and unstinting efforts of Investors, Dealers, Business Associates and Employees in ensuring an excellent all around operational performance, your directors also wish to place on records their sincere thanks and appreciation.

**On behalf of the Board  
FOR PROVESTMENT SERVICES LIMITED**

**Sd/-**

**(DEEPIKA RAJPUT)  
COMPANY SECRETARY**

**Sd/-**

**(ANIL LAKHANI)  
DIRECTOR**

**Sd/-**

**(PRAVEEN BHATIA)  
WHOLETIME DIRECTOR**

**Date: 14.08.2012**

**Place: New Delhi**



# **PROVESTMENT SERVICES LIMITED**

## **CORPORATE GOVERNANCE REPORT**

(Pursuant to clause 49 of the Listing Agreement entered into with the stock exchanges)

### **1. The Company's Philosophy on code of Corporate Governance**

Corporate Governance, it is basically relates to the principles of integrity, fairness, equity, transparency, accountability & Commitment to values. Good governance practices stem from the culture and mindset of the organization. The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of the affairs of the Company and help the Company achieve its goal of maximizing value for all its stakeholders.

The Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders.

### **2. Board of Directors**

#### **Composition as on March 31, 2012**

The company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of 4 Directors, out of which 2 are Independent Directors. The Chairman of the Company is a Whole-time Director. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Name	Category	No. of Directorships held in other Public Limited Companies	No. of Board Committee position held in other Public Limited Companies	
			Chairman	Member
Mr. Praveen Bhatia	Executive, Whole Time Director	Gold Star Realtors Limited	-	-
Mr. Anil Lakhani	Non-Executive Independent Director	-	-	-
Mr. Gaurav Bhatia	Non-Executive Independent Director	-	-	-
Mr. Vinod Ralhan	Non-Executive Professional Director	-	-	-

### **3. Board Meetings**

The Board held 17 (Seventeen) Meetings during the year 2011-2012 on 01.04.2011, 29.04.2011, 11.05.2011, 16.05.2011, 11.07.2011, 02.08.2011, 18.08.2011, 23.08.2011, 11.10.2011, 31.10.2011, 14.11.2011, 16.12.2011, 22.12.2011, 31.12.2011, 01.02.2012, 14.02.2012 and 29.03.2012.

#### **Attendance of Directors at Board Meetings and at the Annual General Meeting**

Name of the Director	No. of Board Meetings Attended	Whether Attended the Last AGM
Mr. Arvind Kumar Narang	5	Yes
Mr. Praveen Bhatia	12	Yes
Mr. Vinod Ralhan	17	Yes
Mr. Anil Lakhani	13	Yes
Mr. Gaurav Bhatia	13	Yes
Mr. Gurdev Singh Vedi	4	Yes