

<b>BOARD OF DIRECTORS</b>	<b>MR. ARVIND KUMAR NARANG</b> : WHOLE TIME DIRECTOR <b>MR. PRAVEEN BHATIA</b> : 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
<b>CORPORATE OFFICE</b>	B-4/148C, Safdarjung Enclave, New Delhi-110 029

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# SIXTEENTH ANNUAL REPORT – 2009-2010

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## NOTICE

Notice is hereby given that the 16<sup>th</sup> Annual General Meeting of the Company will be held on Thursday, the 30<sup>th</sup> day of September, 2010 at 11:00 A.M. at the Corporate Office of the Company at B-4/148C, 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, 2010 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anil Lakhani, 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

Sd/-

Place : New Delhi  
Dated : July, 17, 2010

(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 Thursday, 16<sup>th</sup> September, 2010 to Thursday, 30<sup>th</sup> September, 2010(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 16<sup>th</sup> Annual Report along with audited accounts of the Company for the period ended 31<sup>st</sup> March '2010.

### FINANCIAL DATA

(In Rs.)

	Current Year (2009-2010)	Previous Year (2008-2009)
Profit before Depreciation	7182845	6017420
Less: - Depreciation	1430816	997830
Profit/(Loss) before Tax	5752029	5019590
Less: - Provision for tax/deferred tax charge	1509732	(1064983)
Less: - FBT	0	(121053)
Less: - Provision for Gratuity	21636	(16443)
Adj: - For Deferred Tax Liabilities for the Year	419467	(486071)
Profit/(Loss) after provisions	3801193	3331041
Opening Balance	9605807	6274766
Transfer to General Reserve	1500000	0
Profit/(Loss) carried to the Balance Sheet	11907000	9605807

### REVIEW OF PERFORMANCE

During the year 2009-10 , your Company recorded profit before tax of Rs.57.52 Lacs (previous year Rs 50.19 lacs) representing a growth of 14.59% where as Profit after Tax recorded a growth of 14.11% which is quite remarkable achievement inspite of global slow down phase.

### 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 2010.

### DIRECTORS

In accordance with the provisions of The Companies Act, 1956 and Articles of Association of the Company Shri Anil Lakhani retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

### 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 2010 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;

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- (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, 2010 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, 2010 is as under:

Particulars	No of Shares	Percentage
<b>Electronic Mode</b>		
NSDL	481289	9.43
CDSL	93518	1.83
Total Demat Holding	574807	11.26
Physical Mode	4528193	88.74
<b>Total Shares</b>	<b>51,03,000</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 17.07.2010 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.



# PROVESTMENT SERVICES LIMITED

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## THE YEAR IN RETROSPECT

### PROFOREX MONTHLY NEWS LETTER:

We are pleased to inform that amongst all RBI authorized Full Fledged Money Changers operating in India your Company is the first ones to start a newsletter on foreign exchange and therefore the response to our newsletter has been widespread and very encouraging.

2500 copies of this newsletter is presently circulated to all business segments such as exporters, MNC's, professional organizations, traders, travel agents, Government organizations and other corporate and has gained substantial recognition. Going further we intend to share our views and analysis to all existing corporate and top management personnel.

### PACKAGING EXHIBITIONS:

Your Company specializes in arranging end to end consultancy services for clients engaged in the packaging industry for their end to end requirements. Your Company provides new ideas, concepts and new avenues for the corporate in the packaging industry. In this endeavor your Company organizes tours to world's largest Packaging Exhibitions held at Las Vegas, namely **PACK EXPO** in the year 2009. Your Company has been providing consultancy to clients for various new products being developed in China and has been organizing tours for CANTON FAIR held in Peoples Republic of China.

### WEBSITE REVAMP

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:

Your company with a view to offer marketability and liquidity for the shareholders has decided to get its equity shares listed on the BSE INDONEXT Platform. Towards this end, we have entered into discussions with merchant bankers and we are at advanced stages of completing the documentation so as to enable the listing of shares at BSE INDONEXT Platform.

### 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.

But regardless of these hindrances, India remains packed with potential and easily the most tantalising platform for travel e-commerce growth.

### FUTURE TRENDS IN INDIAN TRAVEL INDUSTRY

- The Indian online travel market will be US\$7 billion by the end of 2011.
- Travel is the largest e-commerce category in India.
- In a complex and diverse marketplace with 28 states, 25 official languages and over one billion people, regional reach and local context trump national brands and strategies.
- In a strongly faithful culture, one out of five leisure travelers take religious pilgrimages.
- About US\$130 million has been poured into the OTA (Online Travel Agency) space in the last 30 months, indicating the serious potential of online travel in the country.
- The Indian domestic air market will double in size from US\$3.6 billion to reach \$8 billion in 2011
- In India, religious travel is not a niche it is akin to leisure travel.
- Religious travel accounts for almost 20% of the total trips taken by the middle class in India.
- The travel problem in India is not only the air and hotel. It is the about the last mile. The bus segment has also seen the entry of online bus aggregators like Redbus and Ticketvala.com.

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- India has been promoting its healthcare tourism by providing the visitors with private healthcare facilities. It is expected that the total market for medical tourism will reach US\$ 2 Billion by 2012, representing a CAGR of 60.69%.

### FUTURE PLANNING BY YOUR COMPANY

The economy in general and Travel Industry in particular is on the verge of recovery from the recession and your company is gearing up for the same as planned below:-

#### ONLINE TRAVEL PORTAL:

Your Company has realized the importance of Online travel portal for the convenience of the customers to book Air Tickets at their comfort and even pay online. The domain name [www.protravel.in](http://www.protravel.in) has been booked and the preparation for the launch is in advanced stage now. We hope to start offering the travel portal service from the second half of this fiscal.

#### NEW BRANCHES:

Your Company has three outlets in Delhi to cater to the clients located in different parts of the city. Your Company has conceived plans to open branches in tier II cities and has shortlisted couple of places to commence operation within this year. This would give your company visibility for the Forex operations. This would help the Company to expand its base and generate more revenues for the Company.

#### 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. Your Company is planning to offer sub dealership to travel agents in religious cities which attract lot of foreign tourists.

#### OVERSEAS OFFICES:

The Company has been planning to open offices in overseas countries to promote the travel business. The Company is in advanced stages of talks with interested concerns in USA for opening of your company's first overseas office. This would enable interactions with the suppliers directly and offer best rates for hotels, transport and cruise for the Indian tourist traveling abroad.

#### FOREX EDUCATION:

The Company has also signed MOU with a UK based Company in imparting education to people ,more specifically trading in Forex , Shares and Commodities in overseas market. We would like to highlight that Reserve Bank of India permit investment in shares, stock and Forex in overseas market to the tune of US \$ 2, 00,000 under Liberalized Remittance Scheme.

#### ACKNOWLEDGEMENTS:

The Directors acknowledge with appreciation, the co-operation and assistance received from the Government, Banks, Authorities and other Business Constituents and arcade during the year.

The Directors wish to place on record their appreciation of the contribution made by employees, customers and suppliers for their continuous support given by them to the Company at all levels during the period under report.

On behalf of the Board  
FOR PROVESTMENT SERVICES LIMITED

Sd/-  
(DEEPIKA RAJPUT)  
COMPANY SECRETARY

Sd/-  
(PRAVEEN BHATIA)  
DIRECTOR

Sd/-  
(ARVIND KUMAR NARANG)  
WHOLETIME DIRECTOR

Date: 17.07.2010  
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, 2010

The company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of 5 Directors, out of which 3 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. Arvind Kumar Narang	Executive, Whole Time Director	-	-	-
Mr. Anil Lakhani	Non-Executive Independent Director	-	-	-
Mr. Gaurav Bhatia	Non-Executive Independent Director	-	-	-
Mr. Praveen Bhatia	Non-Executive Professional Director	-	-	-
Mr. Vinod Ralhan	Non-Executive Professional Director	-	-	-

### 3. Board Meetings

The Board held 11 (Eleven) Meetings during the year 2009-2010 on 15.04.2009, 15.05.2009, 30.06.2009, 01.07.2009, 31.07.2009, 31.10.2009, 04.12.2009, 01.01.2010, 04.01.2010, 30.01.2010 and 31.03.2010

#### 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	12	Yes
Mr. Praveen Bhatia	7	Yes
Mr. Vinod Ralhan	12	Yes
Mr. Anil Lakhani	9	Yes
Mr. Gaurav Bhatia	8	Yes

The Board ensures compliance of all laws applicable to the Company and takes steps to rectify non-compliances, if any.

### 4. BOARD COMMITTEES

The Board of Directors has constituted following committees namely:

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### (i) Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. The terms of the reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with Stock Exchanges that inter-alia include the overview of the Company's financial reporting processes, review of quarterly, half-yearly and annual financial statements, review of adequacy of internal control systems, review of financial and risk management policies and review of significant finding and adequacy of internal control system etc.

#### Composition and Attendance

During the year 2009-2010, 5 (Five) Meetings of the Audit Committee were held on 15.04.2009, 30.06.2009, 31.07.2009, 31.10.2009 and 30.01.2010.

Name of the Member	Category	No. of Meeting Attended
Mr. Praveen Bhatia (Chairman)	Non-Executive Professional	5
Mr. Vinod Ralhan	Non-Executive Professional	5
Mr. Anil Lakhani	Non-Executive Independent	5

The Members of the audit Committee have requisite knowledge in the field of finance, Accounts and Management. Minutes of each Meeting of Audit Committee are placed and discussed before the Board of Directors. The representative of Statutory Auditors attends the meetings of audit Committee.

Mrs. Deepika Rajput acted as Secretarial Officer of the Committee during the year.

### (ii) Remuneration Committee

The terms of reference of Remuneration Committee are as per the Guidelines set out in the Listing Agreement with the stock exchange(s), falling under the category of non-mandatory requirements of Corporate Governance that inter alia includes formulation and recommendation to the Board from time to time, a remuneration structure for the Whole-time Members of the Board.

#### Composition of Remuneration Committee

Name	Category
Mr. Praveen Bhatia	Non-Executive Professional
Mr. Vinod Ralhan	Non-Executive Professional
Mr. Anil Lakhani	Non-Executive Independent

#### Meetings and Attendance during the year

One meeting of the above constituted Remuneration Committee was held during the year.

#### Remuneration Policy

The Remuneration Committee determines and recommends to the Board, the remuneration of the Directors and the same is subject to the approval of Members.

#### The key components of the Company's Remuneration policy are:-

- Remuneration will be a major driver of performance.
- Remuneration will be transparent, fair and simple to administer.
- Remuneration is determined in accordance with experience and nature of responsibilities.
- Remuneration will be fully legal and tax compliant.

At present, the Company is paying remuneration to its Whole Time Director and sitting fees to its Non-Executive Directors and other Directors.

The detail of service contract of Whole Time Director of the Company is as under:





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Name	Date of Appointment	Tenure	From	To
Mr. Arvind Kumar Narang	11 <sup>th</sup> July, 2007	5 years	11 <sup>th</sup> July, 2007	11 <sup>th</sup> July, 2012

- Notice period as per Company's Rules.
- No severance Fee and stock is payable.

### (iii) Shareholders/Investors' Grievance Committee:

The Company is having share transfer committee. It deals with matters related to share transfer/transmission, issue of duplicate share certificate, approving of split and consolidation requests and address of shareholders and investors grievance in relation to transfer of shares, non-receipt of annual report etc.

The terms of reference of shareholders/Investors' Share Transfer Committee are as under:

- Approval of requests received for transfer/transmission of shares including dematerialization/ rematerialization of securities.
- Approval of requests received for issue of duplicate certificates.
- Rejection of requests for share transfers, wherever applicable.
- Redressal of serious complaints received from shareholders/investors on non-receipt of shares after transfer in the physical form, complaints on Non-receipt of Balance Sheet, dividend etc

### Composition of Shareholders/Investors' Share Transfer Committee

Name	Category
Mr. Praveen Bhatia	Non-Executive Professional
Mr. Vinod Ralhan	Non-Executive Professional
Mr. Anil Lakhani	Non-Executive Independent

Mrs. Deepika Rajput, Company Secretary, was the Compliance Officer during the year.

### Details of Complaints received during the year:

Nature of Complaint	2009-2010
	Received Cleared Pending
Non receipt of Share Certificate duly transferred	–
Non-receipt of Annual Report	–

### 5. (a) General Body Meetings:

The Last three Annual General Meetings were held as per the details given below:

Year	Date	Day/Time	Venue
2006-2007	29.09.2007	Saturday 11:00 A.M.	B-4/148C, Safdarjung Enclave, New Delhi- 110 029
2007-2008	30.09.2008	Tuesday 11:00 A.M.	B-4/148C, Safdarjung Enclave, New Delhi- 110 029
2008-2009	30.09.2009	Wednesday 11:00 A.M.	B-4/148C, Safdarjung Enclave, New Delhi- 110 029

### (b) Postal Ballot

During the year ended 31<sup>st</sup> March, 2010, no resolution was passed by the Company's shareholders requiring voting by postal ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed through postal ballot.

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### 6. Disclosures

#### **(a) Disclosure on materially significant related party transactions, pecuniary or business relationship with the Company**

There have been no materially significant related party transactions that may have potential conflict with the interests of the Company or its associates, with any of the directors or their relatives during the year 2009-10. However, a detailed disclosure on Related Party Transactions has been made at in the Notes to Accounts appearing under (Significant Accounting Policies and Notes to Accounts) forming part of Balance Sheet.

#### **(b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority on any matters related to Capital Market:**

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets during the last 3 years.

#### **(c) Whistle Blower Policy:**

The Company has formulated a policy known as 'Whistle Blower Policy' to allow and encourage our employees to bring to the Management's Notice (Audit Committee) directly, without necessarily informing their superiors about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of the Company's policies including code of conduct, violation of law or questionable accounting or auditing matters by an employee/director in the Company without fear of reprisal. The Company further undertakes that it has not denied any personal access to the Audit committee of the Company in respect of matters involving alleged misconduct/malpractice/unethical behavior and that it has provided protection to 'Whistle Blowers' from unfair termination and other unfair or prejudicial employment practices.

#### **(d) Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of Clause 49:**

The Company has complied with the mandatory requirements and is in process of adopting non-mandatory requirements of Clause 49, wherever feasible.

#### **(e) Risk Management**

The Executive Management controls risk through means of a properly defined framework.

#### **(f) Code of Conduct:**

The Board of Directors of your Company has laid down the Code of Conduct for all Board Members and Senior Management of the Company, which delineates the principles governing the conduct of employees including Directors, with all the stakeholders of the Company. The code covers transparency, legal compliances, concern of occupational health, safety and environment, a gender friendly work place and philosophy of leading by personal examples.

All Board Members and Senior Management of your Company ensure the compliances with these principles.

The Board is responsible for ensuring that these principles are communicated to, understood and observed by all the employees. Compliance of the code is subject to the review by the Board supported by the Audit Committee of the Board.

#### **(g) Disclosures regarding appointment or re-appointment of Directors**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Anil Lakhani, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Director of the Company.

Mr. Anil Lakhani is a Graduate having his own trading unit of lights and electronic items. Mr. Lakhani being a dynamic entrepreneur, his trading interest in the mentioned business spans whole of North India. He also has interests in manufacturing of transformers in the State of Gujarat

#### **(h) CEO/CFO Certification**

A certificate from the Chief Executive Officer and the Chief Financial Officer on the financial statements of the Company was placed before the Board.



## PROVESTMENT SERVICES LIMITED

### 7. Means of Communication

1.Quarterly Results	Quarterly Results are announced within a month of the end of the respective quarter, which are normally published in The Pioneer (English) and Hariboomi (Hindi)
2.Any website, where displayed	No. However, results are being sent to all the Stock Exchanges, where the shares of the Company are listed for putting in their own website.
3.Whether it also displays official news releases and the presentations made to Institutional Investors or to the Analysts	Not Applicable
4.Whether Management Discussion & Analysis is a part of Annual Report	Yes
5.Whether Shareholder Information section forms part of Annual Report	Yes

### 8. General Shareholder Information

#### (a) Date, Time and Venue of Annual General Meeting:

The Company will hold its 16<sup>th</sup> Annual General Meeting on Thursday, the 30<sup>th</sup> September, 2010 at 11.00 A.M. at the Corporate Office of the Company at B-4/148C, Safdarjung Enclave, New Delhi- 110 029.

#### (b) Financial Calendar (tentative and subject to change)

The Company expects to announce the unaudited quarterly results for the year 2009-2010 as per the following schedule.

Financial Reporting for the Quarter ending June 30, 2010	August, 2010
Quarterly Limited Review Report for the Quarter ended on June 30, 2009	August, 2010
Financial Reporting for the Quarter ending September, 2010 and Half-year Results.	November, 2010
Quarterly Limited Review Report for the Quarter ended on September 30, 2010	November, 2010
Financial Reporting for the Quarter ending December 31, 2010	February, 2011
Quarterly Limited Review Report for the Quarter ended on December 31, 2010	February, 2011

The Audited Results of the Company for the year 2010-2011 will be announced on or before 31<sup>st</sup> July, 2011 which will include the results of the fourth quarter of the year 2010-2011.

#### (c) Date of Book Closure

The Company's Register of Members and Share Transfer Book will remain closed from Thursday, the 16<sup>th</sup> September, 2010 to Thursday, the 30<sup>th</sup> September, 2010 (both days inclusive).

#### (d) Dividend Payment Date

The Board of Directors has not recommended and dividend for the financial year 2009-2010.

#### (e) Listing on Stock Exchanges

The Equity shares of the Company as on March 31, 2010 were listed on The Delhi Stock Exchange Association Limited, Delhi, Jaipur Stock Exchange, Jaipur and The Ahmedabad Stock Exchange, Ahmedabad. The Company confirms that it has paid Annual Listing Fees due to all the 3 stock exchange for the year 2010-2011.

#### (f) Stock code

The Delhi Stock Exchange Association Limited, Delhi	:	9251
Jaipur Stock Exchange, Jaipur	:	959
The Ahmedabad Stock Exchange, Ahmedabad	:	45612

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**(g) Registrar and Transfer Agents for shares held in Physical as well as Depository mode:**

M/s Beetal Financial and Computer Services Private Limited

99, Madangir, 3<sup>rd</sup> Floor, Behind LSC,

Near Dada Harsukhdas Mandir,

New Delhi-110 062

Ph:011-29961281-87

E-mail: beetal@beetal financial.com

**(h) Stock Market Data**

Company's Equity shares was not traded during the financial year 2009-2010 on any stock exchange

**(i) Share Transfer System**

The Board has delegated the power of share transfer to Shareholders/Investors' Share Transfer Committee. The Committee holds meeting fortnightly to consider all matters concerning transfer and transmission of Shares.

**(j) Distribution and Shareholding Pattern as on 31<sup>st</sup> March, 2010**

Range of Equity Shares (Rs.)	No. of Shareholders	% of Total	Amount (in Rs.)	% of Total
Up to 5000	371	41.73	1,79,770	3.52
5001 – 10000	339	38.13	2,77,600	5.44
10001 – 20000	69	7.76	1,21,750	2.39
20001 – 30000	14	1.57	35,100	0.69
30001 – 40000	6	0.67	20,470	0.40
40001 - 50000	18	2.02	82600	1.62
50001 – 100000	22	2.47	206200	4.04
100001 and above	50	5.62	4179510	81.90
<b>Total</b>	<b>889</b>	<b>100.00</b>	<b>51,03,000</b>	<b>100.00</b>

Shareholding Pattern of the Company as on March 31,2010:

Category	Nos. of Shares held	Percentage of Holding
<b>A. Promoter and Promoter Group</b>		
1. Indian Promoters	1024050	20.07
2. Foreign Promoters	-	-
<b>Sub Total</b>	<b>1024050</b>	<b>20.07</b>
<b>B. Public Shareholding</b>		
1. Institutional Investors	-	-
- Mutual Funds & UTI	-	-
- Banks, Financial Institutions, Insurance Companies	-	-
- Central Government/State Government(s)	-	-
- Foreign Institutional Investors		
2. Non-Institutional Investors		
- Bodies Corporate	2783100	54.54
- Individuals/HUFs	1295850	25.39
<b>Sub Total</b>	<b>4078950</b>	<b>79.93</b>
<b>Total</b>	<b>51,03,000</b>	<b>100.00</b>



## PROVESTMENT SERVICES LIMITED

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### **(k) Dematerialization of Securities**

The Company's Shares are available for trading in the Depository System both at National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The International Security Identification Number (ISIN) allotted by NSDL and CDSL to Company is INE438C01010.

### **(l) Liquidity of shares**

The Equity shares of the Company are not traded on any Stock Exchange.

### **(m) Outstanding GDRs/ADRs/Warrants or any other Convertible Instrument**

Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments which likely to have impact on Equity Share Capital of the Company.

### **(n) Name and Designation of Compliance Officer:**

Mrs. Deepika Rajput, Company Secretary

### **(o) Address for Correspondence**

The shareholders may address their communications/suggestions/grievances/queries to:

#### **Mrs. Deepika Rajput, Company Secretary**

Provestment Services Limited  
Building No.5, First Floor, Pusa Road, W.E. A. Karol Bagh,  
New Delhi-110 005  
Phone:011-47177000(30 Lines) Fax-011-47177077  
Email:deepika@provestment.net

# SIXTEENTH ANNUAL REPORT – 2009-2010

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010

### Financial Review

Provestment Services Limited has to its credit Full Fledged Money Changer Licence and Ticketing business and has shown satisfactory financial and operating performance during the period under review i.e.2009-2010.

### Resources and Liquidity

During the year, the Company relied upon internal and retained resources. The liquidity position of the Company was comfortable during the period.

### Industry Scenario

During the year value of Dollar is again upward trend. The Foreign Exchange business and Tour and Travel in the private Sector in India is represented by a mix of few large Companies with nation wide presence and a large number of small and medium size Companies with regional focus. These Companies provide a variety of services.

The increased penetration of the Banking Sector in all segments in financial sector industry have generally reduced business opportunities for FFMC's.

PSL has not been much effected by these factors due to the fact that it has been catering to core retail clients by carrying on very attractive, convenient and innovative methods of financing.

### Opportunities

With the globalization of economy and continuous growth in the GDP of the Country, the growth prospects for small and medium business enterprises have also prospered. In future the same trend is likely to continue. PSL is well placed to identify retail clients and to provide them with convenient servicing.

### Challenges

The entire Foreign Exchange Sector faces competitive pressure from the Banking Sector which has excess to lower cost of financing. The spreads in the forex business have also narrowed down considerably.

### Outlook

PSL plans to foray into other consultancy services and registered as recruitment agent in India so as to broad base its clientele.

### Risks and Concerns

PSL is exposed to risks like volatility in the Indian Economy, falling interest rates, competition from the Banking Sector, volatile economic cycle, market risks, credit risk, and failure of many FFMC during the past few years. PSL manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

### Adequacy of internal control

PSL has proper and adequate internal controls to assure that all activities are monitored and controlled against any unauthorized use or disposition of assets and that all the transactions are authorized, recorded, reported and monitored correctly. The Company works in a fully computerized environment and all its operations including accounts and MIS are electronic.

PSL ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

An Audit Committee has been formed to review and strengthen the adequacy of internal control.

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

**Sd/-**  
**(DEEPIKA RAJPUT)**  
**COMPANY SECRETARY**

**Sd/-**  
**(PRAVEEN BHATIA)**  
**DIRECTOR**

**Sd/-**  
**(ARVIND KUMAR NARANG)**  
**WHOLETIME DIRECTOR**

**Date: 17.07.2010**

**Place: New Delhi**

## AHUJA ARUN & CO. Chartered Accountants

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412, Deepshikha, Rajendra Place.  
New Delhi-110008 Fax: 011-41538586  
Ph: 011-41537977, 41537988  
N-4/14, DLF Qutab Enclave, Phase-II  
Gurgaon-122002, Phone: 0124-4362991  
e-mail: mail@aaco.in Website: www.aaco.in

### **AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2010 UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

To

The Members of  
Provestment Services Limited.

We have examined the Compliance of the Conditions of Corporate Governance by Provestment Services Limited for the year ended on 31<sup>st</sup> March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange have been complied with in all material respect by the Company.

We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Shareholders/Investor Grievance Committee.

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

Place: Delhi  
Date: 17.07.2010

**FOR AHUJA ARUN & Co.  
Chartered Accountants**

Sd/-  
ARUN AHUJA  
Partner

## AHUJA ARUN & CO. Chartered Accountants

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### AUDITORS' REPORT

To  
The Members,  
PROVESTMENT SERVICES LIMITED,  
5, PUSA ROAD, FIRST FLOOR,  
NEW DELHI-110005

412, Deepshikha, Rajendra Place.  
New Delhi-110008 Fax: 011-41538586  
Ph: 011-41537977, 41537988  
N-4/14, DLF Qutab Enclave, Phase-II  
Gurgaon-122002, Phone: 0124-4362991  
e-mail: mail@aaco.in Website: www.aaco.in

- 1) We have audited the attached Balance Sheet of **Provestment Services Limited** as at 31st March 2010, and also 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.
- 2) We conducted our audit in accordance with the 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
- 4) Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
  - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the accounts comply with the accounting standards referred to in section 211 3C of Companies Act, 1956.
  - e) On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and Profit and Loss Account, together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - I) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010.
    - II) In the case of the Profit & Loss Account, of the profit for the year ended on that day.
    - III) In the case of the Cash Flow Statements, of the cash flows for the year ended on that date.

**FOR AHUJA ARUN & CO.**  
**Chartered Accountants**

Sd/-  
(ARUN AHUJA)  
Partner

Place: New Delhi  
Dated : 17/07/2010





## ANNEXURE TO THE AUDITORS' REPORT (Year 2009-2010)

1. (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. There is a regular programme of verification which, in our opinion, 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) During the year, the company has disposed off vehicle for Rs. 1.80 lacs, but the same does not affected the concept of going concern of the company.
2. (a) The inventory of Foreign Currencies, Shares and Securities has been physically verified at reasonable intervals by the management.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining reasonable proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. i) According to information and explanation given to us, the company has during the year not granted any loans, secured or unsecured to firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. During the year the company has applied shares worth Rs 34.30 lacs in four companies covered in the register maintained under section 301 of the Companies Act, but due to non allotment of shares the same was received as refund by the company.  
ii) According to information and explanation given to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation 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 purchases of inventory (currency, shares & securities), fixed assets and with regard to the sale of inventory (currency, shares & securities). During the course of our audit, no major weakness has been noticed in the internal controls.
5. (a) Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 have been so entered.  
(b) According to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lac rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to the information and explanation given to us, the company has not accepted deposits from the public during the year covered by our audit report in respect to provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.
8. The rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 not applicable to the Company.
9. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess were outstanding, as at 31st March, 2010 for a period of more than six months from the date they become payable.
10. The Company does not have any accumulated losses. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. According to the information and explanation given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

## SIXTEENTH ANNUAL REPORT – 2009-2010

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12. According to the information and explanation 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. The company is not a chit fund or a nidhi /mutual benefit fund / society, therefore, the clause 4 (xiii) of the Order is not applicable to the company
14. The Company is maintaining reasonable proper records of the transactions and contracts for dealing or trading in Shares, Securities or Debentures and other investments. As per information and explanations given to us, the Shares, Securities or Debentures and other instruments have been held by the Company in its own name.
15. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has taken ODP limit against assets of the company from Punjab & Sind Bank. The opening and closing balances outstanding amounting Rs. 2.25 crores and Rs. 2.43 crores respectively.
17. In our opinion and according to the information and explanation given to us, the funds raised on short-term basis have not been used for long-term investments and vice versa.
18. We are informed that the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued debentures and hence requirement of reporting regarding creation of securities or charges in respect of debentures issued does not arise.
20. During the financial year covered by our audit, the company has not raised any money by way of public issue.
21. Based upon the audit procedures performed and as per information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Delhi  
Date: 17.07.2010

**FOR AHUJA ARUN & Co.**  
**Chartered Accountants**

Sd/-  
ARUN AHUJA  
Partner



# PROVESTMENT SERVICES LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCH NO.	AS AT 31.03.2010	AS AT 31.03.2009
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS FUND</b>			
a) Share Capital	1	51,030,000	48,922,000
b) Reserve & Surplus	2	13,407,000	9,610,888
<b>LOAN FUNDS</b>			
	3	25,310,407	32,838,667
<b>DEFERRED TAX LIABILITY (NET)</b>			
	3A	1,610,394	1,190,927
	<b>TOTAL</b>	<b>91,357,801</b>	<b>92,562,482</b>
<b>APPLICATION OF FUNDS</b>			
<b>A) FIXED ASSETS</b>			
	4		
a) Gross Block		48,591,880	47,020,518
b) Less : Depreciation		4,746,147	3,468,140
c) Net Block		43,845,734	43,552,378
<b>B) CURRENT ASSETS, LOAN &amp; ADVANCES</b>			
	5		
a) Inventories		34,512,010	27,757,750
b) Sundry Debtors		14,223,000	10,781,237
c) Cash & Bank Balance		1,585,713	3,157,278
d) Loan & Advances		5,043,457	20,921,540
e) Others		2,572,144	4,513,488
	<b>TOTAL</b>	<b>57,936,324</b>	<b>67,131,293</b>
<b>Less : Current Liabilities &amp; Provision</b>			
	6		
(a) Current Liabilities		8,806,928	15,295,174
(b) Provisions		1,617,328	2,826,015
<b>NET CURRENT ASSETS</b>			
		47,512,067	49,005,022
	<b>TOTAL</b>	<b>91,357,801</b>	<b>92,562,482</b>
Significant Accounting Policies	10		
Notes Forming Parts of Accounts	11		

Notes: The Schedule referred to above form an integral part of the Balance Sheet

### FOR PROVESTMENT SERVICES LIMITED

Sd/-  
(ARVIND KUMAR NARANG)  
WHOLETIME DIRECTOR

Sd/-  
(PRAVEEN BHATIA)  
DIRECTOR

Sd/-  
(DEEPIKA RAJPUT)  
COMPANY SECRETARY

As Per Our Report of even date attached  
for AHUJA ARUN & Co  
Chartered Accountants

Date: 17.07.2010  
Place: New Delhi

Sd/-  
ARUN AHUJA  
(Partner)

## SIXTEENTH ANNUAL REPORT – 2009-2010

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCH NO.	For the Year 2009-10	For the Year 2008-09
<b>I. Operating Income</b>			
a) Turnover		316,876,924	311,622,407
b) Professional Income		6,207,011	6,102,841
c) Interest & other Misc. Income		4,047,021	1,888,425
d) Profit (Loss) on sale of Inventory-Shares	7A	22,013	0
e) Accretion (Decretion) in Inventory-Currency	7B	1,163,260	(427,289)
<b>TOTAL</b>	<b>(A)</b>	<b>328,316,229</b>	<b>319,186,384</b>
<b>II. Expenditure</b>			
a) Purchases		305,323,618	295,855,695
b) Personnel, Administrative & Other Expenses	8	10,632,123	11,898,584
c) Financial Charges	9	5,031,567	5,431,128
d) Loss on sale of fixed Assets		167,711	0
e) Depreciation	4	1,430,816	997,830
<b>TOTAL</b>	<b>(B)</b>	<b>322,585,836</b>	<b>314,183,236</b>
<b>Profit for the year before tax</b>	<b>(A-B)</b>	<b>5,730,393</b>	<b>5,003,147</b>
Provisions			
Current Tax		(1,409,732)	(1,180,955)
Prior Period Taxes		(100,000)	-
Deferred Tax		(419,467)	(486,071)
<b>Profit After Tax</b>		<b>3,801,193</b>	<b>3,336,122</b>
Add: Balance of Profit & Loss Account brought forward		9,605,807	6,274,766
<b>Amount Available for Appropriation</b>		<b>13,407,000</b>	<b>9,610,888</b>
<b>Transfer to General Reserve</b>		<b>1,500,000</b>	<b>0</b>
<b>Balance in profit &amp; loss account carried forward</b>		<b>11,907,000</b>	<b>9,610,888</b>
Earning per Share		0.75	0.65

Note : The Schedule referred to above form an integral part of the Profit & Loss Account.

#### FOR PROVESTMENT SERVICES LIMITED

Sd/-  
(ARVIND KUMAR NARANG)  
WHOLETIME DIRECTOR

Sd/-  
(PRAVEEN BHATIA)  
DIRECTOR

Sd/-  
(DEEPIKA RAJPUT)  
COMPANY SECRETARY

As Per Our Report of even date attached  
for AHUJA ARUN & Co  
Chartered Accountants

Date: 17.07.2010  
Place: New Delhi

Sd/-  
ARUN AHUJA  
(Partner)



# PROVESTMENT SERVICES LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE-1 : SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
52,50,000 Equity Shares of Rs. 10/- each (Previous year : No Change)	52,500,000	52,500,000
<b>ISSUED SUBSCRIBED AND PAID UP</b>		
51,03,000 Equity Shares of Rs. 10/- each (Previous year no change)	51,030,000	51,030,000
Less : Calls in arrears (Previous year : 2108000)	–	2,108,000
	<b>51,030,000</b>	<b>48,922,000</b>
<b>SCHEDULE-2 : RESERVE &amp; SURPLUS</b>		
General Reserve	1,500,000	–
Profit & Loss Account	11,907,000	9,610,888
	<b>13,407,000</b>	<b>9,610,888</b>
<b>SCHEDULE-3 : LOANS</b>		
<b>SECURED LOAN</b>		
From- Punjab & Sind Bank		
a) ODP Loan	24,289,926	22,548,213
b) Term Loan ( <i>secured against all current &amp; fixed assets</i> )	–	9,664,078
Vehicle Loans (Against hyp. of vehicles)	1,020,481	626,376
	<b>25,310,407</b>	<b>32,838,667</b>
<b>SCHEDULE-3 A</b>		
<b>DEFERRED TAX LIABILITY (NET)</b>		
Deferred Tax Liabilities arising on account of timing deference.	1,610,394	1,190,927
	<b>1,610,394</b>	<b>1,190,927</b>

**SCHEDULE-4 : FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As on 01.04.2009	Addition during the period	Sale/Adj. during the Year	Total as on 31.03.2010	Depreciation as on 01.04.2009	Depreciation during the Period	Depreciation Adjust. during the Period	Total As on 31.03.2010	As on 31.03.2010	As on 31.03.2009
OFFICE BUILDING (C.P)	2,223,221	-	-	2,223,221	179,208	36,239	-	215,447	2,007,775	2,044,013
OFFICE BUILDING (NOIDA)	10,032,000	-	-	10,032,000	218,607	163,522	-	382,129	9,649,871	9,813,393
OFFICE BUILDING (PUSA ROAD)	27,205,122	-	-	27,205,122	266,000	443,443	-	709,443	26,495,679	26,939,122
PLANT & MACHINERY	1,215,882	285,663	-	1,501,545	557,249	67,838	-	625,087	876,458	658,633
COMPUTER	892,038	186,988	-	1,079,026	515,535	160,451	-	675,986	403,040	376,503
VEHICLES	3,689,841	1,027,128	500,520	4,216,449	1,363,265	427,208	152,809	1,637,663	2,578,786	2,326,576
SCOOTER	112,269	-	-	112,269	23,503	10,666	-	34,169	78,100	88,766
OFFICE/FURNITURE & FIXTURE	1,284,484	238,065	-	1,522,549	293,826	95,486	-	389,312	1,133,237	990,658
LIFT	-	129,349	-	129,349	-	2,003	-	2,003	127,346	-
OFFICE EQUIPMENTS	365,661	204,689	-	570,350	50,947	23,960	-	74,907	495,443	314,714
TOTAL	47,020,518	2,071,882	500,520	48,591,880	3,468,140	1,430,816	152,809	4,746,147	43,845,734	43,552,378
PREVIOUS	13,613,999	33,406,519	-	47,020,518	2,470,309	997,830	-	3,468,140	43,552,378	



# PROVESTMENT SERVICES LIMITED

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE-5</b>		
<b>CURRENT ASSETS, LOAN &amp; ADVANCES</b>		
<b>a) INVENTORIES</b>		
<i>(As taken valued and certified by the Management)</i>		
<b>i) Stock of Shares, Securities &amp; Others</b>	32,757,000	27,166,000
(For Quoted: Market Value)		
(For Unquoted & others : Cost)		
<b>ii) Foreign currency Stock</b>	1,755,010	591,750
(at prevailing bank mean rate)	<b>34,512,010</b>	<b>27,757,750</b>
<b>b) SUNDRY DEBTORS</b>		
<i>(Unsecured Consider Good)</i>		
Debt Outstanding for the period		
Exceeding six month	25,916	129,906
Others Debts	14,197,084	10,651,331
	<b>14,223,000</b>	<b>10,781,237</b>
<b>c) CASH &amp; BANK BALANCE</b>		
Cash in hand	264,106	640,534
Bank Balance in scheduled Banks	686,719	2,297,084
Term Deposit	634,888	219,659
	<b>1,585,713</b>	<b>3,157,278</b>
<b>d) LOAN AND ADVANCES</b>		
<i>(Unsecured considered good)</i>		
Share Appl. Money (Pending Allotment)	2,890,000	18,966,000
Advances recoverable in cash or in kind or for value to be received	2,153,457	1,955,540
	<b>5,043,457</b>	<b>20,921,540</b>
<b>e) OTHERS</b>		
Security Deposits	85,067	56,959
Income tax under protest (appeal pending)	–	815,862
Income Tax (TDS, FBT Tax)	2,487,077	3,640,667
	<b>2,572,144</b>	<b>4,513,488</b>

## SIXTEENTH ANNUAL REPORT – 2009-2010

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE-6</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>(a) Current Liabilities</b>		
Sundry Creditors - Expenses & Others (As certified by the management)	8,806,928	15,295,174
(a)	<b>8,806,928</b>	<b>15,295,174</b>
<b>(b) Provisions</b>		
Provision for Income Tax	–	1,459,100
Provision for Income Tax (F.Y. 2008-09)	–	1,059,902
Provision for Income Tax (F.Y. 2009-10)	1,409,732	–
Provision Frindge Benefit Tax	–	121,053
Provision for Gratuity	207,596	185,960
(b)	<b>1,617,328</b>	<b>2,826,015</b>
TOTAL (a+b)	<b>10,424,257</b>	<b>18,121,189</b>
<b>SCHEDULE-7 (A)</b>		
<b>PROFIT (LOSS) SALE OF INVENTORY (Shares)</b>		
<b>Shares, Securities</b>		
Opening Stock	27,166,000	26,191,000
Equity Share Purchased	14,091,000	2,375,000
	41,257,000	28,566,000
Equity Share Sales	8,522,013	1,400,000
Closing Balance	32,734,987	27,166,000
Closing Valuation of Inventories <i>(Ref. Schedule 5 as certified by management)</i>	32,757,000	27,166,000
a		
b		
Profit (Loss) on sale of Inventory-Shares	22,013	–
b-a		
<b>SCHEDULE-7 (B)</b>		
<b>Accretion (Decretion) in Inventory (Currency)</b>		
<b>Foreign Currency (Money Changing Business)</b>		
Opening Stock	591,750	1,019,039
Closing Stock	1,755,010	591,750
Accretion (Decretion)	<b>1,163,260</b>	<b>(427,289)</b>





# PROVESTMENT SERVICES LIMITED

	AS AT 31.03.2010		AS AT 31.03.2009	
<b>SCHEDULE-8</b>				
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>				
Auditors Remuneration				
–For Audit Fee	37,078	–	37,078	–
–For Tax Audit fees & other Services	12,922	50,000	12,922	50,000
Internal Audit Fee		13,483		13,483
Advertisement Exp		94,029		82,286
Agm Expenses		56,650		53,720
Business Promotion		–		351,122
Books & Periodicals		2,357		15,351
Commission Paid		94,800		–
Board Sitting Fees		157,500		150,000
Conveyance & Vehicle Running & Maintenance Expenses		940,126		768,219
Director Remuneration		120,000		220,000
Rebate & Discount		156,812		–
Electricity Expenses		260,190		243,227
Filling Fees		2,272		1,500
Insurance		288,625		290,676
Computer Repair And Maintances		117,816		358,091
Legal & Professional Charges		2,347,541		1,428,441
Listing Fee		40,000		22,163
Misc. Expenses		26,286		5,137
Office Expenses		195,303		87,661
Pf Contribution (Employer)		60,928		62,409
Postage & Courier		24,162		30,137
Short & Excess		25,568		161,844
Provision for gratuity		21,636		16,443
Printing & Stationery		324,755		574,923
Rent & Taxes -Office		447,575		238,423
Building Repair & Maintanance		115,638		894,705
Salaries		3,523,292		4,249,112
Staff Welfare		244,321		150,419
Subscription & Membership Fee		191,303		109,095
Telephone & Communication Expenses		649,223		732,224
Travelling Exp.		39,933		537,774
		<b>10,632,123</b>		<b>11,898,584</b>
<b>Schedule 9</b>				
<b>FINANCIAL CHARGES</b>				
Bank Charges & Processing Charges		459,770		597,446
Interest Paid On Vehicles Loans		122,848		146,688
Bank Interest		4,448,949		4,686,994
		<b>5,031,567</b>		<b>5,431,128</b>

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## Schedule - 10

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **1. Nature of Operations:**

**PROVESTMENT SERVICES LIMITED**, is engaged in dealing of Air Ticketing, Foreign Exchange, shares and providing Professional Services.

#### **2. Significant Accounting Policies.**

Set out hereunder are the significant accounting policies adopted by the company in the preparation of the accounts for the year ended 31st March, 2010. There is no material change in accounting policies of the Company.

##### a) Basis of Accounting:

The accounts of the Company are prepared under the historical cost convention and in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956 except where otherwise stated. There is no material change in the accounting policies of the company as compared to the previous year.

##### b) Fixed Assets and Depreciation:

Fixed Assets are stated at historical cost less depreciation. Depreciation is provided on fixed Assets on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

##### c) Inventories:

Inventories are valued as follows:

###### a. For Stock-In-Trade (Equity Shares)

- Unquoted Share at cost.
- Quoted Share at cost or market price whichever is lower.

###### b. Stock-In-Trade (foreign currency) of money changing business.

- Valued at prevailing Bank Mean Rate at close of the year.

##### d) Revenue Recognition:

Mercantile system of accounting is followed.

##### e) Contingent Liabilities:

Contingent Liabilities are determined on the basis of available information and if any disclosed by way of notes to the accounts.

##### f) Insurance/ Claims

The company covers all the normal risks on the basis of cost for the fixed assets and Inventories. The premium pertaining to the year is charged against the revenue of the year.

Insurance claims lodged by the company will be adjusted as and when the final amount will be determined by the Insurance Companies



# PROVESTMENT SERVICES LIMITED

## Schedule-11

### Notes on Accounts

a) Previous year figures:

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to make their classification comparable with that of the current year.

b) Secured Loans:

i) ODP Loans & Term Loan from Punjab & Sind Bank is secured against all current & fixed assets. Further the above loan is guaranteed by two directors of the company and corporate guarantees of M/s Chaitali Exports Pvt Ltd. and M/s Profile Packaging Pvt Ltd.

ii) The vehicle loans are secured by way of hypothecation of vehicles.

c) Provision for Gratuity:

Provisions of Rs. 21,636/- has been made for the year.

d) Provision of Income Tax:

Provision of Rs. 14,09,732/- on account of Income Tax has been made for the year.

e) Deferred Tax

Deferred tax resulting from timing difference between book profit and tax profit is accounted for at the current tax rate without surcharge and in compliance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. Deferred Tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the profit and loss account in the year of change. Deferred tax assets and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of exiting assets and liabilities.

f) Related Party Disclosures as prescribed by Accounting Standard 18 of issued by the Institute of Chartered Accountant of India: As per Annexure.

g) In the opinion of the Board the Current Assets, loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they have been stated in the balance sheet.

h) Auditors Remuneration

Auditor's Remuneration	Year Ended March 31, 2010	Year Ended March 31, 2009
Statutory Audit Fee	37,078	37,078
For Tax Audit Fees & Other Services	12,922	12,922
Out of Pocket Expenses	NIL	NIL
Total	50,000	50,000

i) Directors Remuneration

Payment to Whole Time Director		
Salary to Mr. Arvind Narang	1,20,000	1,20,000
Salary to Mr. Anil Lakhani	NIL	1,00,000
Consultancy Charges to Mr. Praveen Bhatia	10,20,000	8,40,000
Total	11,40,000/-	10,60,000/-

j) Balances in parties' accounts whether in debtors, creditors and loans & advances are subject to confirmations.

k) Contingent Liabilities:

i) Estimated amount of Contracts remaining to be executed on capital account and not provided for - Rs. Nil

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- ii) Claims against the company not acknowledged as debts-Rs. Nil.
- iii) The company's bankers have given a Bank Guarantee for Rs. 20.00 Lac in favour of IATA and margin held by Bank Rs. 2 Lac.
- l) Provision for Bonus and ESI Liabilities  
The company has been advised that the provision of the payment of Bonus Act, 1965 & ESI Act are not applicable to the Company
- m) As no manufacturing activities were carried out during the year, information required under para 3 and 4 of part 11 of schedule VI of Companies Act, 1956 is not given.
- n) Earnings Per Share

Particulars	Period Ended March 31, 2010	Period Ended March 31, 2009
Profit / (Loss) after tax (Rs.) – A	38,01,193	33,36,122
Number of Equity Shares at the end of the period – B	51,03,000	51,03,000
Nominal value of Equity Shares (Rs.)	10/-	10/-
Basic/Diluted Earnings Per Share (Rs.) – A/B	0.75	0.65

- o) Stock of investment in shares made in other company are as per annexure.

Signatories are schedules 1 to 11

### FOR PROVESTMENT SERVICES LIMITED

Sd/-  
(ARVIND KUMAR NARANG)  
WHOLETIME DIRECTOR

Sd/-  
(PRAVEEN BHATIA)  
DIRECTOR

Sd/-  
(DEEPIKA RAJPUT)  
COMPANY SECRETARY

As Per Our Report of even date attached  
for AHUJA ARUN & Co  
Chartered Accountants

Date: 17.07.2010  
Place: New Delhi

Sd/-  
ARUN AHUJA  
(Partner)



# PROVESTMENT SERVICES LIMITED

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## Part IV

### A. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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#### I. REGISTRATION DETAILS

Registration No. 58964

Balance Sheet

State Code 55 (Referred Code List-I)

Date 31.03.2010

#### II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES)

Public Issue

Right Issue

Nil

Nil

Bonus Issue

Private Placement

Nil

Nil

#### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RUPEES)

Total Liabilities

Total Assets

91,357,801

91,357,801

#### Source of Funds

Paid up Capital

Reserves & Surplus

5,10,30,000

1,34,07,000

Secured Loans

Deferred Tax Liability

2,53,10,407

16,10,394

#### APPLICATION OF FUNDS

Net Fixed Assets

Investments

43,845,734

Nil

Net Current Assets

Miscellaneous Expenditure

47,512,067

NIL

#### IV. PERFORMANCE OF COMPANY (AMOUNT IN RUPEES)

Turn Over

Total Expenditure

327,152,969

321,422,576

Profit Before Tax

Profit After Tax

5,730,393

3,801,193

Earning per Share

Dividend rate %

0.75

NIL

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### V. GENERIC NAMES OF THREE SERVICES OF COMPANY

(As per monetary terms)

Item Code No.

(ITC Code):

Product :

Description : Money Changer, Travel Agency and Deals in Shares & Foreign Currencies & Consultancy Service

Note: Signatories are Schedule 1 to 11

Sd/-  
(ARVIND KUMAR NARANG)  
WHOLETIME DIRECTOR

Sd/-  
(PRAVEEN BHATIA)  
DIRECTOR

Sd/-  
(DEEPIKA RAJPUT)  
COMPANY SECRETARY

As Per Our Report of even date attached  
for AHUJA ARUN & Co  
Chartered Accountants

Date: 17.07. 2010  
Place: New Delhi

Sd/-  
ARUN AHUJA  
(Partner)



## PROVESTMENT SERVICES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Particular	Year 2009-2010 Amount in Rupees
<b>Cash Flow from Operating Activities</b>	
Net Profit after tax before extra ordinary item	3,796,112
<b>Adjustment for</b>	
Depreciation	1,278,007
Loss on sale of vehicle	167,711
Interest Paid	5,031,567
Interest Received	(58,469)
<b>Operative loss before working capital changes</b>	<b>10,214,929</b>
Adjustment for : Trade & Other Receivable	14,377,664
Inventory	(6,754,260)
Trade Payable	(7,696,933)
<b>Cash Generated from Operation</b>	<b>10,141,400</b>
Interest Paid	(5,031,567)
<b>Cash Flow Before Extraordinary Item</b>	<b>5,109,833</b>
Extraordinary Item / Misc.Exp.	419,467
<b>Cash Flow from Operating Activities</b>	<b>5,529,300</b>
Less: Purchase of fixed Assets	(2,071,882)
Add: Sales of Fixed Assets	332,809
Add: Interest received	58,469
<b>Net Cash from investing Activities</b>	<b>3,848,696</b>
<b>Cash Flow from Financing Activities</b>	
Proceeds from Long Term Borrowing	(7,528,260)
Issue of share capital	2,108,000
	<b>(1,571,565)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>(1,571,565)</b>
Cash & Cash Equivalents as at 31/03/2009	3,157,278
Cash & Cash Equivalents as at 31/03/2010	<b>1,585,713</b>

By order of the Board  
(ARVIND NARANG)  
Whole Time Director

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## ATTENDANCE SLIP

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the meeting hall. I hereby my presence at the 15th Annual General Meeting of the company held on Thursday, 30th September, 2010 at 11.00 A.M. at B-4/148C, Safdarjung Enclave, New Delhi-110029.

\_\_\_\_\_  
Full Name of the Shareholder

(In Block Letters)

Folio No.-----

\_\_\_\_\_  
Signature of the shareholder

\_\_\_\_\_  
Full Name of the Proxy

\_\_\_\_\_  
Signature of the Proxy

## PROXY FORM

Regd. Folio No. ----- of Share held ----- I/We-----

of-----in the district of-----above name company hereby appoint-----of  
-----of-----as my/our behalf at the Tenth annual general meeting of the company to be held on Thursday, 30th  
September, 2010 at 11.00 A.M. at B-4/ 148C, Safdarjung Enclave, New Delhi-110029.

Signed this -----day of -----2010

Signature-----

Affix Revenue Stamp
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**Note :** This form on order to be effective should be duly stamped, completed and signed and must be deposited at the registered office in the company, not less then 48 hours before the meeting. This proxy need not be member of the company.