

Rating Rationale

Brickwork Ratings assigns 'BWR BB+' & 'BWR A4+' for the Bank Loan Facilities aggregating ₹ 7 Cr for Provestment Services Ltd

Brickwork Ratings (BWR) has assigned the following **Ratings¹** for long-term Bank Loan Facilities of ₹ 6.00 Cr and short term Bank Loan Facilities of ₹ 1.00 Cr for Provestment Services Ltd

Facility	Existing Limits (₹ In Cr)	Tenure	Rating
Fund Based (FB)		Long Term	BWR BB+ (BWR Double B Plus)
ODP	6.00		Outlook: Stable
Non Fund Based (NFB)		Short Term	BWR A4+ (BWR A Four Plus)
Purchase of 3 rd party cheques	0.50		
BG	0.50		
Total	7.00	(INR Seven Crores only)	

BWR has principally relied upon the audited financial results up to FY 13, projected financials, publicly available information and information/clarification provided by the company management.

The rating has inter-alia factored the promoter's extensive experience and long standing relations with customers. The rating is however constrained by relatively moderate scale of operation, fragmented nature of the domestic travel industry, seasonality and exposure of the company's travel business to macro-economic factors, working capital intensive nature of business, weak debt protection metrics and weak profitability indicators.

Company Profile:

Provestment Services Limited, located in Delhi, was incorporated on 11th May, 1994 as a Private Limited company and was formerly known as Provestment Capital Services Private Limited. The Company became a public limited company during the year 1995. The name of the company was changed to Provestment Services Limited in November, 1998.

Provestment Services Ltd is primarily into Tours and Travel business. Additionally, the company also provides other services such as corporate consulting which includes project advisory services, management advisory services, debt syndication, private equity tie-ups etc.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Under Tours & Travels umbrella, the company offers wide range of services such as organizing business travels of clients, corporate tour packages, arranging travel plans for the professionals in packaging industry to the world's largest packaging exhibitions held at Dusseldorf, Germany, Visa services, Leisure travels, foreign exchange services etc.

The company is RBI authorized 'Full Fledged Money-Changer' (FFMC) and also provides forecast, analysis and trade recommendation on major currencies. The company had also launched a new online travel portal 'proyatra' for the customers to book air tickets at their comfort and pay online. The online portal is live since January 2012.

Financial Performance:

The company had recorded an overall sale of Rs. 40.30 Cr in FY13 as against the sale of Rs 39.70 Cr in FY12. Profit after tax (PAT) of the firm stood at Rs. 0.41 Cr in FY13 as against the PAT of Rs. 0.37 Cr in FY12.

Rating Outlook:

Provestment Services Ltd has experienced promoters and long standing relations with its customers. However, the company has weak profitability indicators, working capital intensive nature of operation, relatively modest scale of operation and weak debt protection metrics. Going forward, the ability of the company to improve its revenue and profitability are the key rating sensitivity.

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