



**THOMAS COOK (INDIA) LIMITED**

(Originally incorporated as Thomas Cook (India) Private Limited on October 21, 1978 in the Republic of India under the Companies Act, 1956, our Company's name was changed to "Thomas Cook (India) Limited" on March 12, 1979 with its corporate identity number L63040MH1978PLC020717)

Issue of up to 31,254,188 equity shares of face value ₹1 each (the "Equity Shares") of Thomas Cook (India) Limited (the "Company"), at ₹53.50 per Equity Share, with a right, exercisable by the Company in consultation with the Book Running Lead Managers (as defined hereinafter), to Allot (as defined hereinafter) up to 3,125,418 additional Equity Shares in case of over subscription at ₹53.50 per Equity Share determined according to the Allotment Criteria (as defined hereinafter) aggregating to ₹1,839,308,921 (the "Issue"). The Company has obtained the approval of the Securities and Exchange Board of India ("SEBI") in accordance with its letters dated March 8, 2013 and April 15, 2013 ("SEBI Approval"), for the issue and allotment of up to 34,379,606 Equity Shares by way of this Issue. For further details, please see 'Issue Procedure – SEBI Approval'.

**THIS ISSUE AND THE DISTRIBUTION OF THIS OFFER DOCUMENT (THE "OFFER DOCUMENT") IS BEING MADE IN RELIANCE ON CHAPTER VIII-A OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS"). THIS OFFER DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO ANY PERSON OR CLASS OF INVESTORS OTHER THAN ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS ("ELIGIBLE QIBS") (AS DEFINED IN "DEFINITIONS AND ABBREVIATIONS") WITHIN OR OUTSIDE INDIA.**

**ISSUE ONLY TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS**

The Issue is being made by way of an institutional placement programme, wherein at least 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds (as defined hereinafter) and Insurance Companies (as defined hereinafter), subject to valid ASBA Applications (as defined hereinafter) being received at or above the Clearing Prices, provided that if this portion or any part thereof to be Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other Eligible QIBs. Eligible QIBs may participate in this Issue only through an application supported by blocked amount ("ASBA") providing details about the ASBA Account (as defined hereinafter) which will be blocked by the Self Certified Syndicate Bank (as defined hereinafter). For further details, see "Issue Procedure" on page 127 of this Offer Document.

This Offer Document has not been reviewed or approved by the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), National Stock Exchange of India Limited (the "NSE"), BSE Limited (the "BSE"), together with the NSE the "Stock Exchanges") and is intended only for use by Eligible QIBs. A copy of this Offer Document has been delivered to the Stock Exchanges and SEBI and for registration to the Registrar of Companies, Mumbai (the "RoC"). Copies of the Offer Document will be filed with the Stock Exchanges, SEBI and the RoC. This Offer Document will only be circulated or distributed to Eligible QIBs, and will not constitute an offer to any other class of investors in India or any other jurisdiction. The Equity Shares offered in the Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of this Offer Document.

The Equity Shares of the Company are listed and traded on the BSE and the NSE. The Equity Shares offered in the Issue are securities of the Company of the same class and, in all respects, uniform with the Equity Shares listed and traded on the Stock Exchanges. In-principle approvals under Clause 24(a) of the Equity Listing Agreement for listing of the Equity Shares offered in the Issue have been received from the Stock Exchanges. Applications will be made to the Stock Exchanges for obtaining listing and trading approvals for the Equity Shares offered through this Offer Document and the Offer Document. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares offered in the Issue to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of the Company or such Equity Shares.

**INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" BEFORE MAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS OFFER DOCUMENT AND THE OFFER DOCUMENT.**

Invitations, offers and issuances of Equity Shares offered in the Issue shall only be made pursuant to the Preliminary Offer Document and this Offer Document, together with the ASBA Applications and Confirmation of Allocation Notes. Please see "Issue Procedure". The distribution of this Offer Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares offered in the Issue is unauthorised and prohibited. Each prospective investor, by accepting delivery of the Preliminary Offer Document and this Offer Document, agrees to observe the foregoing restrictions and make no copies of the Preliminary Offer Document and this Offer Document or any documents referred to in this Offer Document.

The information on the website of the Company or any website directly or indirectly linked to the website of the Company, other than this Offer Document, does not form part of this Offer Document and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares issued pursuant to this Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A ("Rule 144A") under the Securities Act) pursuant to section 4(a)(2) of the Securities Act, and (b) outside the United States in offshore transactions in reliance on Regulation S ("Regulation S") under the Securities Act and the applicable laws of each jurisdiction where such offers and sales occur. For further information please refer to "Selling Restrictions" and "Transfer Restrictions" on pages 146 and 149 respectively of this Offer Document.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
<p><b>ICICI Securities Limited</b> ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020, Maharashtra Tel: +91 22 2288 2460/70 Fax: +91 22 2282 6580 Contact person: Mr. Gaurav Goyal/Mr. Mangesh Ghogle Website: <a href="http://www.icicisecurities.com">www.icicisecurities.com</a> Email: <a href="mailto:tcil.ipp@icicisecurities.com">tcil.ipp@icicisecurities.com</a></p>	<p><b>India Infoline Limited</b> IIFL Centre, Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 Contact person: Mr. Sachin Kapoor Website: <a href="http://www.iiflcap.com">www.iiflcap.com</a> Email: <a href="mailto:tcil.ipp@iiflcap.com">tcil.ipp@iiflcap.com</a></p>	<p><b>TSR Darashaw Private Limited</b> 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, Maharashtra Tel.: + 91 22 6656 8484 Fax: + 91 22 6656 8494 Contact Person: Ms.Nandini Nair Website: <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a> Email: <a href="mailto:tcil_ipp@tsrdarashaw.com">tcil_ipp@tsrdarashaw.com</a></p>
<p><b>ISSUE PROGRAMME</b></p> <p><b>ISSUE OPENS AND ISSUE CLOSES ON MAY 3, 2013</b></p>		



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## NOTICE TO INVESTORS

The Company has furnished and accepts full responsibility for all of the information contained in this Offer Document and, having made all reasonable enquiries confirms that, this Offer Document contains all information with respect to the Company and the Equity Shares offered in the Issue, that is material in the context of the Issue. The statements contained in this Offer Document relating to the Company and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Offer Document with regard to the Company and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to the Company and are based on reasonable assumptions. There are no other facts in relation to the Company and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Offer Document misleading in any material respect. Further, all reasonable enquiries have been made by the Company to ascertain such facts and to verify the accuracy of all such information and statements.

No person is authorised to give any information or to make any representation not contained in this Offer Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company, I-Sec or IIFL (the “**Book Running Lead Managers**”). The delivery of this Offer Document, at any time, does not imply that the information contained in it is correct as of any time subsequent to its date.

**The Equity Shares offered in the Issue have not been approved, disapproved or recommended by the U. S. Securities and Exchange Commission, any state securities commission in the United States or the securities commission of any non-U.S. jurisdiction or any other U.S. or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Offer Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.**

**The Equity Shares issued pursuant to this Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) pursuant to section 4(a)(2) of the Securities Act, and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of each jurisdiction where such offers and sales occur. . The Equity Shares offered in the Issue are transferable only in accordance with the restrictions described in ‘Transfer Restrictions’. All purchasers will be required to make the applicable representations set forth in ‘Transfer Restrictions’.**

**Within the United States, this Offer Document is being provided only to persons who are “qualified institutional buyers” as defined in Rule 144A. Distribution of this Offer Document to any person other than the offeree specified by the Book Running Lead Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without the prior written consent of the Company, is prohibited. Any reproduction or distribution of this Offer Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.**

The distribution of this Offer Document and the Issue may be restricted by law in certain countries or jurisdictions. As such, this Offer Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Company, the Book Running Lead Managers, which would permit an offering of the Equity Shares, offered in the Issue or distribution of this Offer Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares to be issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Offer Document nor any Issue materials in connection with the Equity Shares offered in the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any



applicable rules and regulations of any such country or jurisdiction.

This Offer Document has been filed with SEBI and the Stock Exchanges and delivered to the RoC for registration, and has been displayed on the websites of the Stock Exchanges and the Company stating that it is in connection with Issue and that the offer is being made only to Eligible QIBs.

In making an investment decision, investors must rely on their own examination of the Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Offer Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither the Company nor any of the Book Running Lead Managers is making any representation to any offeree or subscriber of the Equity Shares offered in the Issue regarding the legality of an investment in such Equity Shares by such subscriber or purchaser under applicable laws or regulations.

**Each Eligible QIB subscribing to the Equity Shares offered in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Company under Indian law, including Chapter VIII-A of the SEBI Regulations, and is not prohibited by SEBI or any other statutory authority from buying, subscribing to, selling or dealing in securities.**

The information on the Company's website, except this Offer Document, or the website of the Book Running Lead Managers does not constitute nor form part of this Offer Document. Prospective investors should not rely on the information contained in, or available through such websites, except this Offer Document. This Offer Document contains summaries of terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

THE EQUITY SHARES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURSUANT TO SECTION 4(a)(2) OF THE SECURITIES ACT, AND (B) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER OF THE EQUITY SHARES, SEE "TRANSFER RESTRICTIONS". THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED ON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS OFFER DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

#### **NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY**



**WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**



## REPRESENTATIONS BY INVESTORS

By subscribing to any Equity Shares offered in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to each of the Company and the Book Running Lead Managers, as follows:

- You are an Eligible QIB (as defined hereinafter), having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares offered in the Issue that are Allotted to you in accordance with Chapter VIII-A of the SEBI Regulations;
- You are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;
- If you are not a resident of India, but are an Eligible QIB, you are an FII (hereinafter defined) (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual), having a valid and existing registration with SEBI under the applicable laws in India and are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities. You are investing in the Issue in accordance with applicable law and will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;
- If you are an FII, the funds invested by you have been remitted into India from abroad, and, in this regard, you agree to provide such supporting documentation as may be required by the Company to establish the same, pursuant to any legal and / or regulatory requirements;
- If you are Allotted the Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell such Equity Shares so acquired, except on the Stock Exchanges;
- You are aware that this Offer Document has not been reviewed, verified or affirmed by SEBI, RBI, the Stock Exchanges or any other regulatory or listing authority, other than the RoC, and is intended only for use by the Eligible QIBs;
- You are entitled to subscribe for the Equity Shares offered in the Issue under the laws of all relevant jurisdictions that apply to you and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Offer Document), and will honour such obligations;
- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents (the “**Company Presentations**”) with regard to the Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of the statements that the Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at any such Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material or price sensitive information relating to the Company and the Issue that was not made publicly available by the Company;



- Neither the Company nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares offered in the Issue, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to its or their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;
- All statements other than statements of historical facts included in this Offer Document, including those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Offer Document;
- You are aware of and understand that the Equity Shares to be issued pursuant to the Issue are being offered only to Eligible QIBs and are not being offered to the general public and the Allocation and Allotment shall be in accordance with the Basis of Allocation, Allotment Criteria and the CAN. For further details, please see 'Issue Procedure';
- You have made, or been deemed to have made, as applicable, the representations and warranties set forth in 'Transfer Restrictions' and 'Selling Restrictions';
- You have read this Offer Document in its entirety, including in particular 'Risk Factors';
- In making your investment decision, you have (i) relied on your own examination of the Company and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company on a consolidated basis, the Equity Shares offered in the Issue and the terms of the Issue based solely on the information contained in the Offer Document and publicly available information about the Company and no other disclosure or representation by us or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, the effects of local laws, (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of the Company and the Equity Shares offered in the Issue, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;
- None of the Company, the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences (U.S. or otherwise) of purchase, ownership and disposal of the Equity Shares offered in the Issue (including the Issue and the use of proceeds from such Equity Shares). You will obtain your own independent tax advice and will not rely on the Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences (U.S. or otherwise) in relation to the Equity Shares offered in the Issue (including, in relation to the Issue and the use of proceeds from the Equity Shares offered in the Issue). You waive, and agree not to assert, any claim against any of the Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects (U.S. or otherwise) of the Equity Shares offered in the Issue or as a result of any tax audits by tax authorities, wherever situated;



- You are a sophisticated investor who is seeking to subscribe to the Equity Shares offered in the Issue for your own investment and not with intent to distribute such Equity Shares and have such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares offered in the Issue. You and any accounts for which you are subscribing to the Equity Shares offered in the Issue (i) are each able to bear the economic risk of the investment in the Equity Shares to be issued pursuant to the Issue, (ii) are able to sustain a complete loss on the investment in the Equity Shares to be issued pursuant to the Issue, (iii) have no need for liquidity with respect to the investment in the Equity Shares offered in the Issue, (iv) have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of subscribing to the Equity Shares offered in the Issue, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares offered in the Issue. You acknowledge that an investment in the Equity Shares offered in the Issue involves a high degree of risk and that such Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares offered in this Issue for your own investment and not with a view to resale or distribution;
- If you are acquiring the Equity Shares offered in the Issue, for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and make the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to ‘you’, shall include such accounts;
- You are neither a Promoter (hereinafter defined) nor a person related to the Promoter, either directly or indirectly, and your ASBA Application does not directly or indirectly represent the Promoter or the Promoter Group (hereinafter defined) or persons related to the Promoter. For the purposes of this representation you will be deemed to be related to the Promoter if you have any rights under any shareholders’ agreement or voting agreement entered into with the Promoter or persons related to the Promoter, any veto rights or any right to appoint any nominee director on the Board, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares;
- You have no right to withdraw your ASBA Application or revise the price per Equity Share or the number of Equity Shares mentioned in your ASBA Application downwards;
- You are eligible to apply for and hold the Equity Shares offered in the Issue, which are Allotted to you together with any Equity Shares held by you prior to the Issue. You confirm that your aggregate holding after the Allotment of the Equity Shares offered in the Issue shall not exceed the level permissible as per any applicable regulations;
- The ASBA Application submitted by you would not result in triggering a tender offer under the Takeover Regulations (hereinafter defined);
- You, together with other Eligible QIBs that belong to the same group as you or are under common control with you, shall not be Allotted Equity Shares in excess of 50% (assuming exercise of the Over Allotment Option in full) of the aggregate number of Equity Shares Allotted in the Issue. For the purposes of this representation:
  - a) The expression ‘belong to the same group’, shall have the same meaning as ‘companies under the same group’ as provided in sub-section (11) of Section 372 of the Companies Act (hereinafter defined); and
  - b) The expression ‘control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations;

For meaning of the term ‘companies under the same group’ under sub-section (11) of Section 372 of the Companies Act and ‘control’ under Regulation 2(1)(e) of the Takeover Regulations, see “*Issue Procedure*” on page 127 of this Offer Document.



- You shall not undertake any trade in the Equity Shares issued pursuant to the Issue and credited to your Depository Participant account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;
- You are aware that (i) applications for in-principle approval, in terms of Clause 24(a) of the Equity Listing Agreement, for listing and admission of the Equity Shares offered in the Issue and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made after Allotment of the Equity Shares in the Issue. There can be no assurance that the final approvals for listing of the Equity Shares issued pursuant to the Issue will be obtained in time, or at all. The Company shall not be responsible for any delay or non- receipt of such final approvals or any loss arising from such delay or non-receipt;
- By participating in the Issue, you confirm that you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or the Company or any of their respective affiliates or any other person acting on their behalf and neither the Book Running Lead Managers nor the Company nor any of their respective affiliates or other person acting on their behalf will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;
- You confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares offered in the Issue is contained in this Offer Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares offered in the Issue and neither the Book Running Lead Managers nor the Company will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;
- The Book Running Lead Managers do not have any obligation to purchase or acquire all or any part of the Equity Shares subscribed for by you or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by the Company of any of its obligations or any breach of any representations and warranties by the Company, whether to you or otherwise;
- You understand that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the Securities Act;
- If you are a resident of the United States, you are a “qualified institutional buyer” as defined in Rule 144A and are acquiring the Equity Shares offered in the Issue for your own account and not with a view for distribution;
- If you are not within the United States, you are acquiring the Equity Shares offered in the Issue in an offshore transaction meeting the requirements of Rule 905 or Rule 904 of Regulation S;
- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Issue, the Preliminary Offer Document and this Offer Document;
- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares issued pursuant to the Issue on the Stock Exchanges;



- You agree to indemnify and hold the Company, the Book Running Lead Managers and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach or alleged breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Offer Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares issued pursuant to the Issue by, or on behalf of, the managed accounts;
- You agree to abide by the Basis of Allocation provided in this Offer Document, and the Allocation done in accordance with Basis of Allocation as approved by the Stock Exchanges;
- You agree to provide additional documents as may be required by the Company and the Book Running Lead Managers for finalisation of the Basis of Allocation along with the Stock Exchanges. The Company, the Book Running Lead Managers and their respective affiliates may rely on the accuracy of such documents provided by you; and
- The Company, the Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of the Company, and are irrevocable.



## OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 (the “**FII Regulations**”), an FII may issue or otherwise deal in offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments issued overseas against underlying securities, listed or proposed to be listed on any recognized stock exchange in India, such as the Equity Shares offered in the Issue (all such offshore derivative instruments are referred to herein as “**P-Notes**”), for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities subject to compliance with applicable ‘know your client’, requirements. An FII shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by an appropriate foreign regulatory authority. No sub-account of an FII is permitted to directly or indirectly issue P-Notes. P-Notes have not been and are not being offered, issued or sold pursuant to this Offer Document. This Offer Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company or the Book Running Lead Managers. The Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to the P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to the Company or the Book Running Lead Managers. The Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with the P-Notes. Any P- Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers. Affiliates of the Book Running Lead Managers that are registered as FIIs may purchase, to the extent permissible under law, the Equity Shares offered in the Issue, and may issue P-Notes in respect thereof.

**Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P- Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.**

## DISCLAIMER CLAUSE

As required, a copy of this Offer Document has been delivered to each of the Stock Exchanges and SEBI and for registration to the RoC. The Stock Exchanges, SEBI and the RoC do not in any manner:

- (1) warrant, certify or endorse the correctness or completeness of the contents of the Offer Document;
- (2) warrant that the Equity Shares issued pursuant to the Issue will be listed or the Equity Shares will continue to be listed on the Stock Exchanges; or
- (3) take any responsibility for the financial or other soundness of the Company, its Promoter, its management or any scheme or project of the Company.

It should not for any reason be deemed or construed to mean that the Offer Document has been reviewed or approved by the Stock Exchanges or SEBI. Every person who desires to apply for or otherwise acquire any Equity Shares offered in the Issue may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges, SEBI and the RoC whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.



## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Offer Document, unless the context otherwise indicates or implies, references to ‘you’, ‘your’, ‘offeree’, ‘purchaser’, ‘subscriber’, ‘recipient’, ‘investors’, ‘prospective investors’ and ‘potential investor’ are to the prospective investors in the Issue, references to ‘the Company’ are to Thomas Cook (India) Limited, and references to ‘we’, ‘us’, ‘our’ or ‘our Company’ are to Thomas Cook (India) Limited and its Subsidiaries, unless otherwise specified.

In this Offer Document, all references to “INR”, “Indian Rupees”, “₹” and “Rs.” are to Indian Rupees, all references to “U.S. dollars”, “USD” and “U.S.\$” are to United States dollars, all references to “MUR” are to Mauritian Rupees and all references to “LKR” are to Sri Lankan Rupees. All references herein to the “U.S.” or the “United States” are to the United States of America and its territories and possessions and all references to “India” are to the Republic of India and its territories and possessions.

The financial year of the Company commences on January 1 of each calendar year and ends on December 31 of that calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular ‘financial year’, ‘fiscal year’, ‘fiscal’ or ‘FY’ are to the twelve month period ended on December 31 of that year.

The Company publishes its Audited Consolidated Financial Statements in Indian Rupees. The Audited Consolidated Financial Statements are prepared in accordance with the Companies Act and Indian GAAP and the Summary Consolidated Financial Information have been based on the Audited Consolidated Financial Statements. Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. In this regard please note that:

- (1) references to the Audited Consolidated Financial Statements, as of and for the year ended December 31, 2012, are to the financial statements for that year, presented in accordance with the format prescribed under the revised Schedule VI of the Companies Act pursuant to Notification S.O. 447(E) dated February 28, 2011 issued by the Ministry of Corporate Affairs, Government of India (the “**Revised Schedule VI**”);
- (2) references to the Audited Consolidated Financial Statements, as of and for the years ended December 31, 2011 and 2010, are to the financial statements for the respective years, presented in accordance with the then applicable pre-revised Schedule VI of the Companies Act.

These Audited Consolidated Financial Statements, as of and for the years ended December 31, 2012, 2011 and 2010, are disclosed in the section “**Financial Statements**” on page 181 of this Offer Document.

With respect to the Summary Consolidated Financial Information disclosed in the section “**Selected Financial Information**” on page 29 of this Offer Document, please note that references to the Summary Consolidated Financial Information, as of and for the years ended December 31, 2012, 2011 and 2010, are to the consolidated balance sheet, consolidated statement of profit and loss and consolidated cash flow statement as of and for the years ended December 31, 2012, 2011 and 2010 presented in accordance with the Revised Schedule VI.

Unless otherwise indicated, all financial data in this Offer Document is derived from the Summary Consolidated Financial Information.

Indian GAAP differs in certain significant respects from International Financial Reporting Standards (“**IFRS**”) and U.S. GAAP and accordingly, the degree to which the Audited Consolidated Financial Statements prepared in accordance with Indian GAAP included in the Offer Document will provide meaningful information is entirely dependent on the reader’s familiarity with the respective accounting policies. The Company does not provide a reconciliation of its financial statements to IFRS or U.S.GAAP financial statements. See “**Risk Factors**” on page 34 of this Offer Document.

These Audited Consolidated Financial Statements, as of and for the years ended December 31, 2012, 2011 and 2010, are referred to herein as the “**Financial Statements**”.



In this Offer Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Offer Document includes certain financial information in relation to IKYA, which is sourced from the audited financial statements of IKYA as at and for the financial years ended March 31, 2012 and 2011 and from the unaudited financial statement of IKYA as at and for the nine months period ended December 31, 2012.

This information in relation to IKYA does not purport to be complete and has not been independently verified by our Company, the Managers or any person or entity associated with either of them. Given the uncertainty of such information, investors are cautioned not to place undue reliance on such information in relation to IKYA included in this Offer Document.

For so long as any of the Equity Shares are in issue and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of an Equity Share, or to any prospective purchaser of an Equity Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.



## **INDUSTRY AND MARKET DATA**

Information regarding market position, growth rates and other industry data pertaining to the businesses of the Company contained in this Offer Document consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which the Company competes. Unless stated otherwise, the statistical information included in this Offer Document relating to the industry in which the Company operates has been reproduced from various trade, industry and government publications and websites.

This data is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither the Company nor the Book Running Lead Managers have independently verified this data, nor do they make any representation regarding the accuracy of such data. The Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so the Company has relied on internally developed estimates. Similarly, while the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither the Company nor the Book Running Lead Managers can assure potential investors as to their accuracy.



## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offer Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding the Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Company's business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new businesses and other matters discussed in this Offer Document that are not historical facts. These forward-looking statements contained in this Offer Document (whether made by the Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Company's expectations include, among others:

- The performance of the financial markets in India and globally;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Dependency on our service providers for providing quality service to our customers;
- Increasing competition or other factors affecting the industry segments in which our Company operates;
- Fluctuations in the foreign currency rates;
- Increasing penetration of the internet and online payment solutions;
- Technical failure or unavailability of continuous access to the internet;
- Any adverse outcome in the legal proceedings in which we are involved; and
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in 'Risk Factors', 'Industry Overview', 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations'. The forward-looking statements contained in this Offer Document are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of the Company. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Offer Document or the respective dates indicated in this Offer Document, and the Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of the Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.



## ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public company incorporated with limited liability under the laws of India. Except Mr. Chandran Ratnaswami (who has Canadian nationality) all the other Directors are residents of India. All of the key managerial personnel named here are residents of India and all the assets of the Company are located in India. As a result, it may be difficult for investors outside India to affect service of process upon the Company or such persons in India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the “**Civil Procedure Code**”), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon by the same parties or between parties under whom they or any of them claim to be litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government of India (the “**GoI**” or the “**Government**”) has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by an appropriate court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI to repatriate outside India any amount recovered pursuant to such award, and any such amount may be subject to income tax in accordance with applicable laws.



## EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information concerning exchange rates between the Rupee and the U.S. dollar for the periods indicated. Exchange rates are based on the reference rates released by RBI, which are available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all. On May 3, 2013, the exchange rate was ₹53.95 to 1 US\$ (*Source: [www.rbi.org.in](http://www.rbi.org.in)*).

	Period End	Average	High	Low
<b>Financial Year:</b>		(₹ Per U.S.\$1.00)		
2012	54.78	53.49	57.22	48.68
2011	53.27	46.67	54.24	43.95
2010	44.81	45.74	47.57	44.03
<b>Quarter Ended:</b>				
31-Mar-13	54.39	54.17	55.33	52.97
31-Dec-12	54.78	54.14	55.70	51.62
30-Sep-12	52.70	55.24	56.38	52.70
30-Jun-12	56.31	54.22	57.22	50.56
31-Mar-12	51.16	50.31	53.30	48.68
31-Dec-11	53.27	51.01	54.24	48.82
30-Sep-11	48.93	45.76	49.67	43.95
30-Jun-11	44.72	44.74	45.38	44.04
31-Mar-11	44.65	45.26	45.95	44.65
31-Dec-10	44.81	44.86	46.04	44.03
30-Sep-10	44.92	46.50	47.33	44.92
30-Jun-10	46.60	45.67	47.57	44.33
31-Mar-10	45.14	45.92	46.81	44.94

(*Source: [www.rbi.org.in](http://www.rbi.org.in)*)

The following table sets forth information concerning exchange rates between the Rupee and the Sri Lankan rupee for the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into Sri Lankan rupees at any particular rate, the rates stated below, or at all. On May 3, 2013, the exchange rate was ₹0.42 to 1 LKR (*Source: [www.oanda.com](http://www.oanda.com)*).

	Period End	Average	High	Low
<b>Financial Year:</b>		(₹ Per LKR 1.00)		
2012	0.43	0.42	0.48	0.40
2011	0.48	0.43	0.48	0.40
2010	0.41	0.41	0.42	0.39
<b>Quarter Ended:</b>				
31-Mar-13	0.43	0.43	0.43	0.42
31-Dec-12	0.43	0.42	0.43	0.40
30-Sep-12	0.41	0.42	0.43	0.40
30-Jun-12	0.42	0.42	0.43	0.40
31-Mar-12	0.41	0.43	0.48	0.40
31-Dec-11	0.48	0.46	0.48	0.45
30-Sep-11	0.45	0.42	0.46	0.40



	<b>Period End</b>	<b>Average</b>	<b>High</b>	<b>Low</b>
	30-Jun-11	0.41	0.41	0.42
	31-Mar-11	0.41	0.41	0.42
	31-Dec-10	0.41	0.40	0.42
	30-Sep-10	0.40	0.41	0.42
	30-Jun-10	0.41	0.40	0.42
	31-Mar-10	0.39	0.40	0.41

(Source: [www.oanda.com](http://www.oanda.com))

The following table sets forth information concerning exchange rates between the Rupee and the Mauritian rupee for the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into Mauritian rupees at any particular rate, the rates stated below, or at all. On May 3, 2013, the exchange rate was ₹1.73 to 1 MUR (Source: [www.oanda.com](http://www.oanda.com)).

	<b>Period End</b>	<b>Average</b>	<b>High</b>	<b>Low</b>
<b>Financial Year:</b>		(₹ Per MUR 1.00)		
	2012	1.77	1.78	1.91
	2011	1.86	1.64	1.89
	2010	1.49	1.49	1.59
<b>Quarter Ended:</b>				
	31-Mar-13	1.75	1.77	1.80
	31-Dec-12	1.77	1.75	1.81
	30-Sep-12	1.72	1.79	1.84
	30-Jun-12	1.81	1.84	1.91
	31-Mar-12	1.80	1.75	1.86
	31-Dec-11	1.86	1.76	1.89
	30-Sep-11	1.72	1.63	1.73
	30-Jun-11	1.62	1.61	1.65
	31-Mar-11	1.59	1.55	1.61
	31-Dec-10	1.49	1.50	1.53
	30-Sep-10	1.48	1.52	1.57
	30-Jun-10	1.45	1.43	1.47
	31-Mar-10	1.47	1.52	1.59

(Source: [www.oanda.com](http://www.oanda.com))



## DEFINITIONS AND ABBREVIATIONS

This Offer Document uses the definitions and abbreviations set forth below which, unless otherwise specified, you should consider when reading the information contained herein. References to any legislation, act, regulation or statutory provision in this Offer Document shall be construed as reference to such term as amended, modified or re-enacted from time to time.

### Company and Industry Related Terms

Term	Description
AAI	Airports Authority of India.
AD	Authorised Dealer.
“Articles of Association” or “Articles”	The articles of association of the Company, as amended from time to time.
“Auditors” or “Statutory Auditors”	M/s. Lovelock & Lewes, Chartered Accountants.
Audit Committee	The audit committee of the Company, constituted in accordance with the provisions of the Companies Act and the Listing Agreement.
“Board” or “Board of Directors”	The board of directors of the Company.
Class B Preference Shares	Class ‘B’ 0.001% cumulative convertible/ redeemable preference share capital of ₹3,197,650 divided into 319,765 outstanding preference shares having face value of ₹10 each.
Class C Preference Shares	Class ‘C’ 0.001% cumulative convertible/ redeemable preference share capital of ₹2,718,000 divided into 271,800 outstanding preference shares having face value of ₹10 each.
Company	Thomas Cook (India) Limited.
Directors	Directors on the Board, as may be appointed from time to time.
Equity Shares	Equity shares of face value of ₹1 each of the Company.
FFMC	Full Fledged Money Changers.
FIT	Free Individual Travelers.
GIT	Group Inclusive Tours.
LKP	LKP Forex Limited.
IATA	International Air Transport Association.
“Memorandum of Association” or “Memorandum”	The memorandum of association of the Company, as amended from time to time.
MICE	Meetings Incentives Conferences and Events.
OTAs	Online Travel Agents.
Preference Shares	Class B Preference Shares and Class C Preference Shares.
Promoter/ Fairbridge	Fairbridge Capital (Mauritius) Limited.
Promoter Group	The promoter group of the Company as determined in terms of Regulation 2(1)(zb) of the SEBI Regulations.



<b>Term</b>	<b>Description</b>
Registered Office	Thomas Cook Building, Dr. D. N. Road Fort, Mumbai, Maharashtra – 400001, India.
RMC	Restricted Money Changers.
Subsidiary(ies)	Travel Corporation (India) Limited; Thomas Cook Insurance Services (India) Limited; Indian Horizon Travel and Tours Limited; Thomas Cook Tours Limited; TC Visa Services (India) Limited; Thomas Cook (Mauritius) Holding Company Limited; Thomas Cook (Mauritius) Operations Company Limited; Thomas Cook (Mauritius) Travel Limited; Thomas Cook (Mauritius) Holidays Limited; and Thomas Cook Lanka (Private) Limited.
TCI	Travel Corporation (India) Limited.
TCISIL	Thomas Cook Insurance Services (India) Limited.
TCIL ESOP	Thomas Cook Employees Stock Option Plan 2007.
TCIL SAYE	Thomas Cook Save As You Earn Scheme 2010.
TCIM	TCIM Limited, UK.
Thomas Cook UK / TCUK	Thomas Cook UK Limited.
“we” or “us” or “our”	Thomas Cook (India) Limited and its Subsidiaries on a consolidated basis.

#### **Issue Related Terms**

<b>Term</b>	<b>Description</b>
“Allocation” or “Allocated”	Allocation of the Equity Shares offered in the Issue following the determination of the Clearing Prices to Applicants on the basis of the ASBA Applications submitted by them and in accordance with the Allotment Criteria.
“Allotment” or “Allotted” or “Allot”	Unless the context otherwise requires, the issue and allotment of the Equity Shares including pursuant to the exercise of the Over Allotment Option.
Allottees	Eligible QIBs to whom the Equity Shares are Allotted pursuant to the Issue.
Allotment Criteria	The method as finalised by the Company, based on which the Equity Shares offered in the Issue will be Allocated and Allotted to successful Applicants, in this case being the price priority method.
Applicant	An Eligible QIB that submits an ASBA Application in accordance with the provisions of the Preliminary Offer Document.
Application Amount	The highest value indicated by the Applicant in the ASBA Application to subscribe for the Equity Shares applied for in the ASBA Application, which amount should exceed ₹200,000.
ASBA	Application supported by blocked amount.
ASBA Application	An application by an Applicant, whether physical or electronic, offering to subscribe to the Equity Shares in the Issue at any price at or above the Floor Price or within the Price Band,



Term	Description
	as the case may be, including any revisions thereof, pursuant to the terms of the Preliminary Offer Document, and which shall also be an authorisation to an SCSB to block the Application Amount in the ASBA Account maintained with such SCSB. The ASBA Application will also be considered as the application for Allotment for the purposes of this Preliminary Offer Document and the Offer Document. The price per Equity Share and the number of Equity Shares applied for under an ASBA Application may only be revised upwards and any downward revision in price per Equity Share and/or the number of Equity Shares applied for under an ASBA Application or withdrawal of the ASBA Application is not permitted.
ASBA Account	An account maintained with the SCSB by the Applicant and specified in the ASBA Application for blocking the Application Amount.
Basis of Allocation	The basis on which Equity Shares offered in the Issue will be Allocated to successful Applicants in the Issue and the CAN will be dispatched, as described in 'Issue Procedure'.
"Book Running Lead Managers" or "BRLMs"	I-Sec and IIFL.
"CAN" or "Confirmation of Allocation Note"	Note, advice or intimation sent to the Applicants who have been Allocated Equity Shares offered in the Issue, confirming the Allocation of Equity Shares to such Applicants after the determination of the Clearing Prices in terms of the Basis of Allocation approved by the Stock Exchanges, and shall constitute a valid, binding and irrevocable agreement on part of the Applicant to subscribe to the Equity Shares Allocated to such Applicant at the Clearing Prices.
CAP Price	The higher end of the Price Band, announced by the Company above which no ASBA Application will be accepted.
Clearing Prices	The prices, within the Price Band, either at or above which Applicants shall be allocated Equity Shares in the Issue to the successful Applicants in terms of the SEBI Approval, Basis of Allocation, Allotment Criteria and the CAN.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available at: <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised%20Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries</a> .
Designated Date	The date on which funds blocked by the SCSB are transferred from the ASBA Accounts of the successful Applicants to the Public Issue Account or unblocked, as the case may be, after the Offer Document is filed with the RoC.
"Eligible QIB" or "Eligible Qualified Institutional Buyer"	A qualified institutional buyer, as defined under Regulation 2(1)(zd) of the SEBI Regulations, eligible to invest in this Issue. However, for the purposes of this Issue, this term shall not include FVCIs or VCFs.
Floor Price	The price, within the Price Band, below which the Clearing Prices will not be finalised and the Equity Shares offered in the Issue shall not be Allotted. The Floor Price will be decided by the Company in consultation with the Book Running Lead Managers in accordance with the SEBI Approval and shall be announced at least one day prior to the Issue Opening Date. Any ASBA Application made at a price per Equity Share below the Floor Price will be rejected.
Floor Price/Price Band Announcement	The announcement of either the Floor Price or the Price Band, made by the Company at least one day prior to the Issue Opening Date.
"Institutional Placement Programme" or "IPP"	Institutional placement programme by way of which an offer, allocation and allotment of equity shares is made under Chapter VIII-A of the SEBI Regulations.



Term	Description
I-Sec	ICICI Securities Limited.
IIFL	India Infoline Limited.
Issue	The offer and issuance of up to 31,254,188 Equity Shares with an option to Allot up to 3,125,418 additional Equity Shares pursuant to exercise of the Over Allotment Option, to Eligible QIBs, pursuant to Chapter VIII-A of the SEBI Regulations.
Issue and Placement Agreement	The issue and placement agreement dated April 16, 2013, among the Company and the Book Running Lead Managers in relation to the Issue, subsequently amended on April 22, 2013.
Issue Closing Date	The last date, up to which the ASBA Applications shall be accepted, which date shall be announced along with the Floor Price/ Price Band Announcement.
Issue Opening Date	The date, on which the Designated Branches and the Book Running Lead Managers will start accepting the ASBA Applications, which date shall be announced along with the Floor Price/ Price Band Announcement.
Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates during which Eligible QIBs can submit their ASBA Applications to the SCSBs and the Book Running Lead Managers.
Issue Size	The aggregate size of the Issue, comprising up to 34,379,606 Equity Shares, which includes the Over Allotment Option, each Allotted at the applicable Clearing Prices.
Members of the Syndicate	the Book Running Lead Managers.
Offer Document	The offer document to be filed with the RoC in accordance with the provisions of the Companies Act, containing, <i>inter alia</i> , the Issue Size, the Clearing Prices and certain other information.
Over Allotment Option	The option exercisable by the Company, in consultation with the Book Running Lead Managers, in case of over subscription in the Issue, to Allot up to 3,125,418 additional Equity Shares, as per the SEBI Regulations.
Preliminary Offer Document	The preliminary offer document dated April 24, 2013 filed with SEBI, RoC and Stock Exchanges, prepared and issued by the Company in accordance with the SEBI Regulations, Companies Act and other applicable laws.
Price Band	The price band, if any, announced by the Company for the Issue, of minimum price (Floor Price) and a maximum price (Cap Price), which will be decided by the Company, in consultation with Book Running Lead Managers in accordance with SEBI Approval, and which shall be announced at least one day prior to the Issue Opening Date.
Pricing Date	The date on which the Company, in consultation with the Book Running Lead Managers, finalises the Clearing Prices.
Public Issue Account	The account opened with the Public Issue Account Bank in terms of Section 73 of the Companies Act, to receive monies from the ASBA Accounts on the Designated Date.
Public Issue Account Agreement	Public issue account agreement dated April 16, 2013 among the Company, the Book Running Lead Managers, the Registrar and the Public Issue Account Bank(s), subsequently amended on April 22, 2013.
Public Issue Account Bank(s)	Kotak Mahindra Bank Limited.
“QIB” or “Qualified Institutional Buyer”	A qualified institutional buyer, as defined under Regulation 2(1)(zd) of the SEBI Regulations.



Term	Description
Registrar to the Issue	TSR Darashaw Private Limited.
Revision Form	The form used by the Applicants, to modify the number of Equity Shares applied for or the price per Equity Share in any of their ASBA Applications or any previous Revision Form(s). Applicants are not allowed to revise the price per Equity Share or the number of Equity Shares applied for downwards.
SEBI Approval	The approvals issued by SEBI by way of its letter dated March 8, 2013 for an issuance of up to 34,379,606 Equity Shares by way of the Issue, and by way of its letter dated April 15, 2013 for relaxing the minimum number of Allotees in this Issue subject to the minimum number of Allotees prescribed under Chapter VIII of the SEBI Regulations. For further details, please see ' <i>Issue Procedure – SEBI Approval</i> '.
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the issue registered with SEBI, which offers the facility of ASBA and a list of which is available at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised%20Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries</a> .
Stock Exchanges	BSE and NSE.
Syndicate Agreement	The agreement dated April 16, 2013 amongst the Book Running Lead Managers and the Company in relation to the Issue, subsequently amended on April 22, 2013.
Syndicate ASBA Bidding Centres	The bidding centres of the Members of the Syndicate or their respective sub Syndicate at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat, and such other centres as may be prescribed by SEBI from time to time, wherein, pursuant to the SEBI circular dated April 29, 2011, bearing no. CIR/CFD/DIL/1/2011, ASBA Bidders are permitted to submit their Bids in physical form.
TRS or Transaction Registration Slip	The slip or document issued by a Book Running Lead Manager or the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the ASBA Application.
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Issue Closing Date and listing of the Equity Shares offered pursuant to the Issue on the Stock Exchanges, "Working Days", shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI Circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010.
Y-o-y	Year on year

### Conventional and General Terms

Term	Description
AIF	Alternative investment funds registered under the AIF Regulations.
AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AS	Accounting Standards issued under the Companies Act.
BSE	BSE Limited.
CAGR	Compounded annual growth rate.
CDSL	Central Depository Services (India) Limited.
CESTAT	Customs, Excise & Service Tax Appellate Tribunal.



Term	Description
Civil Procedure Code	Code of Civil Procedure, 1908.
Client ID	Beneficiary account identity.
Companies Act	Companies Act, 1956, as amended.
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy, dated April 5, 2013 issued by the Department of Industrial Policy and Promotion from time to time.
Depositories	NSDL and CDSL.
Depositories Act	Depositories Act, 1996, as amended.
“Depository Participant” or “DP”	A depository participant as defined under the Depositories Act.
DP ID	Depository participant identity.
EPS	Earnings per equity share, <i>i.e.</i> Net profit attributable to equity shareholders for a financial year divided by the weighted average number of equity shares during the financial year.
Equity Listing Agreement	The equity listing agreement entered by the Company with each of the Stock Exchanges.
Exchange Act	U.S. Securities Exchange Act of 1934, as amended.
FERA	Foreign Exchange Regulation Act, 1973, as amended.
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder, as amended.
FSC	Financial Services Commission of Mauritius.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIIs	Foreign institutional investors (as defined under the FII Regulations) registered with SEBI.
“Financial Year” or “Fiscal Year” or “Fiscal” or “FY”	Period of 12 months ended December 31 of that particular calendar year.
“FVCI” or “Foreign Venture Capital Investors”	Foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
GDP	Gross Domestic Product.
GoI or Government	Government of India.
HUF	Hindu Undivided Family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
I.T. Act	Income Tax Act, 1961, as amended.
IND AS	Indian Accounting Standards converged with International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended.
Insurance Company	An insurance company registered with the Insurance Regulatory and Development



Term	Description
	Authority in India.
Limited liability partnership	A limited liability partnership registered with the registrar of companies under the Limited Liability Partnership Act, 2008, as amended.
Long Term Debt/Equity Raito	Long Term Debt divided by Equity; Where: Long Term Debt :- represents long term borrowings of the Company; and Equity includes the paid up equity & preference share capital and reserves & surplus.
MAT	Minimum Alternate Tax.
MoU	Memorandum of understanding.
MRTP	Monopolies and Restrictive Trade Practices
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
NCR	National Capital Region.
Net Worth attributable to Equity Shareholders	means paid up equity share capital and reserves & surplus
Non-Resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
PAN	Permanent Account Number allotted under the I.T. Act.
Portfolio Investment Scheme	The portfolio investment scheme of RBI specified in Schedule 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act, as amended.
RoC	The Registrar of Companies, Maharashtra located at 100, Everest, Marine Drive, Mumbai 400 002.
Rule 144A	Rule 144A under the Securities Act.
Rupees / Rs./ ₹	Indian Rupees.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Securities Act	The U. S. Securities Act of 1933, as amended.
Short Term Debt / Equity	means Short Term Debt divided by Equity



<b>Term</b>	<b>Description</b>
Ratio	where: Short Term Debt:- represents short term borrowings including current maturities of finance lease obligations Equity includes paid up equity & preference share capital and reserves & surplus
SLP	Special leave petition
STT	Securities transaction tax.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
Erstwhile Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
U.S.GAAP	Generally accepted accounting principles in the United States of America.
VCF(s) or Venture Capital Funds	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.



## SUMMARY OF THE ISSUE

This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Offer Document, including in ‘*Risk Factors*’, ‘*Use of Proceeds*’, ‘*Placement*’ and ‘*Issue Procedure*’.

The following is a general summary of the terms of the Issue:

<b>Issuer</b>	Thomas Cook (India) Limited.
<b>Issue Size</b>	Up to 34,379,606 Equity Shares.
<b>Over Allotment Option</b>	In case of over subscription in the Issue, the Company in consultation with the Book Running Lead Managers, can exercise the option to Allot up to 3,125,418 additional Equity Shares on or prior to dispatch of CANs.
<b>Clearing Prices</b>	₹53.50 per Equity Share
<b>Eligible Investors</b>	Eligible QIBs. Please see “ <i>Issue Procedure – Who Can Apply</i> ” on page 128 of this Offer Document.
<b>Class of Equity Shares</b>	The Equity Shares offered in the Issue are securities of the Company of the same class and in all respects uniform with the Equity Shares listed and traded on the Stock Exchanges. For details, see “ <i>Description of the Equity Shares</i> ” on page 154 of this Offer Document.
<b>Equity Shares issued and outstanding immediately prior to the Issue</b>	213,158,694 Equity Shares. For further details in relation to the stock options granted by the Company, see “ <i>Board of Directors and Key Managerial Personnel</i> ” on page 111 of this Offer Document.
<b>Equity Shares issued and outstanding immediately after the Issue</b>	247,538,300 Equity Shares. For further details in relation to the stock options granted by the Company, see “ <i>Board of Directors and Key Managerial Personnel</i> ” on page 111 of this Offer Document.
<b>Price Band</b>	Price band of the Floor Price of ₹50.50 per Equity Share and the Cap Price of ₹53.50 per Equity Share.
<b>Floor Price</b>	The lower end of the Price Band below which no Bids will be accepted, in this case being ₹50.50 per Equity Share of face value ₹1 each, and any revisions thereof.
<b>Cap Price</b>	The higher end of the Price Band, in this case being ₹53.50 per Equity Share, and any revisions thereof, above which the Clearing Prices will not be finalised and above which no ASBA Applications will be accepted.
<b>Listing</b>	(i) Applications for in-principle approval, in terms of Clause 24(a) of the Equity Listing Agreement, for listing and admission of the Equity Shares offered in the Issue and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges; and (ii) the applications for the final listing and trading approvals will be made after Allotment of the Equity Shares pursuant to the Issue.
<b>Lock-up</b>	Our Company will not, for a period of 30 days from the date of the Offer Document, without the prior written consent of the Book Running Lead Managers, directly or indirectly, (a) offer, sell or announce the intention to sell, pledge, issue, contract to issue, grant any option, right or warrant for the issuance and allotment, or otherwise dispose of or transfer, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position with respect to, any Equity Shares or securities convertible into or exchangeable or exercisable for Equity Shares (including any warrants or other rights to subscribe for any Equity Shares), (b) enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Equity Shares, whether any such aforementioned transaction is to be settled by allotment of any Equity Shares, in cash



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	or otherwise, or (c) publicly disclose the intention to make any such offer, issuance and allotment or disposition, or to enter into any such transaction, swap, hedge or other arrangement. For further details, please refer to “ <b>Placement and Lock-Up</b> ” on page 143 of this Offer Document.
<b>Transferability Restrictions</b>	The Equity Shares Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. Please see “ <b>Transfer Restrictions</b> ” on page 149 of this Offer Document.
<b>Closing</b>	The Allotment of the Equity Shares offered pursuant to this Issue is expected to be made on or about May 8, 2013.
<b>Use of Proceeds</b>	Net proceeds of the Issue (after deduction of fees, commissions and expenses) are expected to total approximately ₹1,738,328,105. Please see “ <b>Use of Proceeds</b> ” on page 56 of this Offer Document.
<b>Risk Factors</b>	Please see “ <b>Risk Factors</b> ”, on page 34 of this Offer Document, for a discussion of factors you should consider before deciding whether to subscribe for the Equity Shares offered in the Issue.
<b>Ranking</b>	<p>The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum and the Articles of Association and shall rank <i>pari passu</i> in all respects with the existing Equity Shares, including rights in respect of voting and dividends.</p> <p>The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by the Company after the Allotment of the Equity Shares issued pursuant to the Issue, in compliance with the Companies Act, the Equity Listing Agreement and other applicable laws and regulations.</p>
<b>Security Codes for the Equity Shares</b>	<p><b>ISIN:</b> INE332A01027</p> <p><b>BSE Code:</b> 500413</p> <p><b>NSE Code:</b> THOMASCOOK</p>

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## SELECTED FINANCIAL INFORMATION

The Summary Consolidated Financial Information, as of and for the years ended December 31, 2012, 2011 and 2010, are the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flows statement as of and for the years ended December 31, 2012, 2011 and 2010 presented in accordance with the Revised Schedule VI. The Summary Consolidated Financial Information have been based on the Audited Consolidated Financial Statements of which the figures for the years ended December 31, 2011 and December 31, 2010 have been reclassified to conform to Revised Schedule VI and should be read in conjunction with the Audited Consolidated Financial Statements and notes thereto as of and for the fiscal years ended December 31, 2012, 2011 and 2010. You should refer to the section titled “**Management's Discussion and Analysis of Financial Condition and Results of Operations**”, included elsewhere in this Offer Document, for further discussion and analysis of the Audited Consolidated Financial Statements of the Company. The Audited Consolidated Financial Statements of the Company are prepared in accordance with Indian GAAP and have been audited by M/s. Lovelock & Lewes, Chartered Accountants.

The following presentation relates to our Company on a consolidated basis, and for the purposes of this section, the figures for the years ended December 31, 2011 and December 31, 2010 have been reclassified to conform to Revised Schedule VI.

The Audited Consolidated Financial Statements included in this Offer Document does not reflect the Company's results of operations, financial position and cash flows for the future and its past operating results are no guarantee of its future operating performance.

### Summary of Consolidated Balance Sheet for the FY 2012, 2011 and 2010:

	As on December 31, 2012	As on December 31, 2011	As on December 31, 2010
<b><u>Equity And Liabilities</u></b>			
<b>(1) Shareholders' Funds</b>			
Share Capital	219,074,344	217,923,012	217,723,349
Reserves and Surplus	4,165,153,491	3,704,775,111	3,189,712,591
	<b>4,384,227,835</b>	<b>3,922,698,123</b>	<b>3,407,435,940</b>
<b>(2) Non-current Liabilities</b>			
Long-term Borrowings	24,927,715	17,533,734	17,411,483
Deferred Tax Liability (Net)	60,283,710	50,014,044	76,338,344
Other Long-term Liabilities	226,184,310	129,203,008	66,892,380
Long-term Provisions	10,866,215	20,223,968	24,441,137
	<b>322,261,950</b>	<b>216,974,754</b>	<b>185,083,344</b>
<b>(3) Current Liabilities</b>			
Short-term Borrowings	1,837,665,493	2,231,340,489	1,980,904,121
Trade Payables	1,487,041,546	1,565,355,832	1,391,435,171
Other Current Liabilities	1,428,727,366	1,191,317,200	838,636,972
Short-term Provisions	92,901,955	102,457,988	92,926,193
	<b>4,846,336,360</b>	<b>5,090,471,509</b>	<b>4,303,902,457</b>
<b>TOTAL</b>	<b>9,552,826,145</b>	<b>9,230,144,386</b>	<b>7,896,421,741</b>
<b><u>Assets</u></b>			
<b>(1) Non-current Assets</b>			



	As on December 31, 2012	As on December 31, 2011	As on December 31, 2010
Fixed Assets			
Tangible Assets	869,878,859	849,762,977	834,914,687
Intangible Assets	1,572,730,240	1,601,859,307	1,574,043,085
Capital Work-in-Progress	2,158,755	5,552,062	378,782
Intangible Assets Under Development	26,026,141	28,877,480	48,709,822
	<b>2,470,793,995</b>	<b>2,486,051,826</b>	<b>2,458,046,376</b>
Non-current Investments	964,454	964,469	964,784
Long-term Loans and Advances	530,282,050	353,869,466	668,974,405
Other Non-current Assets	165,597,978	9,840,562	-
	<b>696,844,482</b>	<b>364,674,497</b>	<b>669,939,189</b>
<b>(2) Current Assets</b>			
Current Investments	1,096,565,506	381,748,630	154,807,133
Trade Receivables	2,105,090,824	2,264,029,751	2,224,963,486
Cash and Bank Balances	2,077,056,802	2,724,944,723	1,601,037,869
Short-term Loans and Advances	824,656,719	804,103,773	579,779,901
Other Current Assets	281,817,817	204,591,186	207,847,787
	<b>6,385,187,668</b>	<b>6,379,418,063</b>	<b>4,768,436,176</b>
<b>TOTAL</b>	<b>9,552,826,145</b>	<b>9,230,144,386</b>	<b>7,896,421,741</b>



*Summary of Consolidated Statement of Profit and Loss for the FY 2012, 2011 and 2010:*

<b>Particulars</b>	<b>For the year ended December 31, 2012</b>	<b>For the year ended December 31, 2011</b>	<b>For the year ended December 31, 2010</b>
<b>Revenue</b>			
Revenue from Operations	4,301,918,911	3,918,214,254	3,174,300,097
Other Income	103,141,775	187,154,038	235,889,478
<b>Total Revenue</b>	<b>4,405,060,686</b>	<b>4,105,368,292</b>	<b>3,410,189,575</b>
<b>Expenses</b>			
Employee Benefit Expenses	1,755,453,821	1,540,084,836	1,294,759,101
Finance Costs	310,093,031	307,830,903	221,905,423
Depreciation and Amortisation Expenses	141,798,385	139,350,757	135,041,975
Other Expenses	1,192,597,609	1,111,962,516	916,195,804
Advertisement Expenses	234,275,775	199,694,953	206,019,708
<b>Total Expenses</b>	<b>3,634,218,621</b>	<b>3,298,923,965</b>	<b>2,773,922,011</b>
<b>Profit Before Tax and Exceptional Item</b>	<b>770,842,065</b>	<b>806,444,327</b>	<b>636,267,564</b>
Exceptional Item	-	-	100,000,000
<b>Profit Before Tax</b>	<b>770,842,065</b>	<b>806,444,327</b>	<b>736,267,564</b>
Tax Expense			
Current Tax	263,591,020	271,505,660	242,365,360
Less - MAT Entitlement Credit	(6,892,554)	(997,041)	(24,870,115)
Deferred Tax	9,785,766	(26,460,556)	47,162,698
<b>Total Tax</b>	<b>266,484,232</b>	<b>244,048,063</b>	<b>264,657,943</b>
<b>Profit After Tax</b>	<b>504,357,833</b>	<b>562,396,264</b>	<b>471,609,621</b>
<b>Earning per Equity Share</b>			
Basic (Face value of Re. 1 each)	2.37	2.65	2.23
Diluted (Face value of Re. 1 each)	2.31	2.58	2.17



*Summary of Consolidated Cash Flow Statement for the FY 2012, 2011 and 2010:*

Particulars	For the year ended December 31, 2012	For the year ended December 31, 2011	For the year ended December 31, 2010
<b>Cash Flows from Operating Activities</b>			
<b>Net Profit Before Tax</b>	770,842,065	806,444,327	736,267,564
Adjustments For :			
Interest Income	(13,085,113)	(4,201,056)	(4,503,815)
Dividend Income from Investments	(3,747,982)	(1,498,398)	(1,310,878)
(Write back)/Expenses on Employees Stock Options Schemes (Net)	(2,516,980)	9,171,293	1,789,670
Depreciation and Amortisation	141,798,385	139,350,757	135,041,975
Loss/(Profit) on sale of Fixed Assets (Net)	10,370,210	(72,660,499)	(142,626,864)
Interest on Income Tax Refund	(51,050,448)	(24,293,325)	(6,711,328)
Finance Costs	310,093,031	307,830,903	221,905,423
Provision for Diminution in the value of Long Term Investments	15	315	1,270
Bad Debts and Advances written off	48,358,684	13,971,345	33,622
(Profit) on Redemption of Long-term Investment	-	-	(14,098,942)
Provision for Doubtful Debts and Advances (Net)	17,008,609	72,312,013	19,512,994
<b>Operating Profit before Working Capital changes</b>	<b>1,228,070,476</b>	<b>1,246,427,675</b>	<b>945,300,691</b>
<u>Changes in Working Capital:</u>			
(Decrease)/Increase in Trade Payables	(78,314,286)	464,930,097	(419,437,229)
(Decrease)/Increase in Provisions	(19,415,578)	5,840,656	(33,052,224)
Increase/(Decrease) in Other Liabilities	401,986,901	109,191,811	327,152,455
Decrease/(Increase) in Trade Receivables	122,729,701	(125,349,621)	(173,379,375)
(Increase)/Decrease in Loans and Advances	(230,389,118)	42,314,579	(333,427,382)
(Increase)/Decrease in Other Assets	(74,605,366)	(204,125,021)	(89,140,698)
<b>Cash generated from operations</b>	<b>1,350,062,730</b>	<b>1,539,230,176</b>	<b>224,016,238</b>
Income Taxes Paid (Net of refunds received)	(255,997,177)	(30,684,921)	(149,352,624)
Interest on Income Tax Refund	51,050,448	24,293,325	6,711,328
<b>Net cash from Operating Activities</b>	<b>1,145,116,001</b>	<b>1,532,838,580</b>	<b>81,374,942</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of Fixed Assets	5,544,515	105,407,626	185,425,564
Purchase of Fixed Assets	(192,880,286)	(187,875,759)	(397,422,140)
Interest Received	10,463,848	7,883,727	5,324,730
Dividend Received	3,747,982	1,498,398	1,310,878
Purchase of Current Investments	(13,790,087,728)	(5,023,077,606)	(3,049,108,997)
Sale of Current Investments	13,075,270,851	4,796,136,109	3,263,557,721
Investment in Fixed deposits having maturity over three months	(156,328,673)	(16,675,395)	14,484,650



Particulars	For the year ended December 31, 2012	For the year ended December 31, 2011	For the year ended December 31, 2010
<b>Net cash (used in)/from Investing Activities</b>	(1,044,269,491)	(316,702,900)	23,572,406
<b>Cash Flows from Financing Activities</b>			
Proceeds from Issue of Equity Shares under Employees Stock Options Schemes	42,427,997	6,051,784	14,103,850
Dividend Paid for the year	(79,814,489)	(79,454,171)	(79,342,838)
Tax on Dividend Paid for the year	(12,947,913)	(12,889,463)	(13,181,661)
(Repayment of) / Proceeds from Borrowings (Net)	(393,674,996)	239,249,625	300,507,618
Proceeds from Finance Lease Liability (Net)	10,953,909	771,529	15,573,279
Finance Costs Paid	(325,818,468)	(276,778,727)	(219,184,789)
<b>Net cash (used in)/from Financing Activities</b>	(758,873,960)	(123,049,423)	18,475,459
<b>Effect of exchange fluctuation on translation reserve</b>	9,398,195	23,819,920	(9,064,658)
<b>Total (Decrease)/Increase in Cash and Cash Equivalents during the year</b>	(648,629,254)	1,116,906,177	114,358,149
<b>Cash and Cash Equivalents at the beginning of the year</b>	2,715,825,610	1,598,919,433	1,484,561,284
<b>Cash and Cash Equivalents at the end of the year</b>	2,067,196,356	2,715,825,610	1,598,919,433



## RISK FACTORS

*Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Offer Document, before making any investment decisions relating to our Equity Shares. This section should be read together with “Industry”, “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as the other financial statements and other financial information included elsewhere in this Offer Document. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of our Equity Shares to fall significantly and you may lose all or part of your investment.*

*This Offer Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Offer Document.*

*Prior to making an investment decision, prospective investors should carefully consider all the information contained in this Offer Document, including the Selected Financial Information of our Company beginning on page 29 of this Offer Document.*

*These risks are not the only ones that we face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. If any or some combination of the following risks, or other risks that are not currently known or believed to be material, actually occur, our business results of operations and financial condition could suffer, the trading price of, and the value of your investment in, the Equity Shares could decline and you may lose all or part of your investment.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The numbering of risk factors is provided solely for convenience.*

### **Risks related to our Company and our businesses**

1. ***SEBI had imposed a penalty of ₹150,000 on our Company for non-compliance with the provisions of Chapter II of the Erstwhile Takeover Regulations for the period from May 20, 1997 to April 30, 2001.***

During the period from May 20, 1997 to April 30, 2001, filings under Chapter II of the Erstwhile Takeover Regulations were made by our Company based on the understanding that these disclosures were required to be filed in line with our financial year. Hence the disclosures were being filed as of December 31 every year from 1997 till 2000. In 2001, our Company changed its financial year to end on October 31 every year and accordingly, the annual disclosure was filed in November 2001. However, in the same month, NSE clarified that the annual disclosures were to be filed with reference to the financial year April – March every year and not as per the financial year of our Company. In view of this clarification from NSE, our Company started submitting the annual disclosures for the year ending March 31 every year, 2002 onwards. SEBI imposed a penalty of ₹150,000 on our Company for the said non-compliance. Our Company, by way of its letter dated October 8, 2004 to SEBI, agreed for settlement by way of a consent order by agreeing to pay the said consent amount and waived its right of hearing. Our Company also requested SEBI to forward the said letter to the Adjudicating Officer to enable the Adjudicating Officer to pass a consent order under SEBI (Procedure for Holding Enquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995. Our Company has till date not received any communication from SEBI / Adjudicating Officer as regards payment of the said penalty.



2. ***We are involved in certain legal and regulatory proceedings that, if determined against us, could have a material adverse impact on our business, results of operations and financial condition.***

There are certain legal and regulatory proceedings pending against us at different levels of adjudication before various courts and tribunals. Such proceedings divert management time and attention and consume financial resources in their defense or prosecution. No assurance can be given as to whether these matters will be settled in our favour or against us. If we are held liable under any of these matters it may have an adverse effect on our business, results of operations and financial condition.

For further details on these legal and regulatory proceedings, please refer to the section "**Legal Proceedings**" on page 167 of this Offer Document.

3. ***As on December 31, 2012, we had contingent liabilities of ₹2,569,596,569 on consolidated basis, which, if materialized, may have material adverse effect on our business, results of operations and financial condition.***

Our total contingent liabilities that have not been provided for and as disclosed in our consolidated financial statements as per Indian GAAP, as of December 31, 2012, were ₹2,569,596,569. In the event that any of these amounts that we have not provided for become due, our financial condition and results of operations may be adversely affected. Our contingent liabilities not provided for as of December 31, 2012 on a consolidated basis are as follows:

(in ₹)

Sr. No	Nature of Liability	Amount
1	Disputed Service Tax Demands	2,319,680,492
2	Disputed Income Tax Demands	195,706,035
3	Disputed Demand for Increase in Rent raised by Brihanmumbai Municipal Corporation	49,615,440
4	Claims against Company not acknowledged as Debts :-	
a.	Disputed Claims made by clients	2,633,519
b.	Demand from Bombay Electricity Supply and Transport (BEST) for Electricity Charges	1,961,083

For further information on such contingent liabilities, please refer to section "**Financial Statements**" on page 181 of this Offer Document.

4. ***Our risk management policies, internal controls and procedures may leave us exposed to unidentified risks or unanticipated levels of risk.***

Our Company has a risk management framework which sets policies and procedures to identify, monitor and manage our risks, thereby enabling our Company to reduce the level of risks. This risk assessment process encompasses financial, regulatory, operational, human resources and information systems. As far as any residual risk is concerned, assessments are made for individual lines of businesses; mitigation plans are framed to reduce the level of residual risks and are monitored for implementation and improvement of such residual risk. As our Company makes continuous changes to improve its business profile, our risk profile may also change and new risks may emerge. Hence, our risk assessments may not be exhaustive or accurately capture all risks. Therefore we may not be able to assure you that our policies and procedures will effectively and accurately record and verify this information. As part of our continuous improvement process we are evolving our risk management framework. As a result, our risk management policies, internal controls and procedures may leave us exposed to unidentified risks or unanticipated levels of risk. For details, please refer "**Our Business**" on page 90 of this Offer Document.



5. ***We are largely dependent on our service providers i.e., airlines, hotels etc., both in India and abroad. Any failure on their part to honour commitments could have a material adverse effect on our business, results of operations and financial condition.***

Our Company contracts with various service providers across the globe to facilitate its businesses. These service providers play an important role in enabling us to provide complete integrated services package to our customers. Service delivery by these service providers is critical for the success of our business. While our Company currently has longstanding healthy business relations with its service providers, going forward, the same level of cooperation and support from our service providers cannot be assured. Any failure/ deficiency in the service delivery or business support on the part of our service providers could have a material adverse effect on our business, results of operations and financial condition.

6. ***Increasing penetration of the internet and online payment solutions, has led to disintermediation. This disintermediation may impact our business model of providing ticketing solutions and also our travel and tour packages, which may have a material adverse effect on our business, results of operations and financial condition.***

The increasing penetration of the internet coupled with online payment solutions, has given rise to the phenomenon of 'disintermediation', whereby service providers, i.e. airline companies / hotels, etc. enter into direct dealings with a prospective customer as opposed to dealing with travel service integrators like us for delivering these services. Increased levels of disintermediation could impact our business model of providing ticketing solutions and also our travel and tour packages. As a result, although we are unable to quantify the effect of disintermediation on our result of operations and financial condition, we cannot assure you that this trend of ever increasing disintermediation may not have a material adverse effect on our business, results of operations and financial condition.

7. ***Any technical failure or unavailability of continuous access to the internet and, therefore our critical travel systems may have an adverse effect on our business, results of operations and financial condition.***

Our Company has a strong information technology infrastructure base with wide area network connectivity covering all our branch and customer service locations, to support, its operations across the country. All hardware is installed with anti-virus software to ensure that a virus-free and secured network is maintained. We have also developed and implemented a comprehensive central reservation engine for our travel products and services. Our web enabled centralized dynamic packaging system, covering all travel related services – air tickets, hotel reservations, car rentals, cruises, rail bookings, insurance, package tours and holidays, enables individual, corporate clients and agents worldwide to include all products and services which they want on a real time basis. In addition, our Company also offers a single online platform for all its products and services and supports upfront collection of funds through its online payment gateways. We have developed a totally integrated front, mid and back office solution. Despite these precautions, any technical failure or unavailability of continuous access to the internet and, therefore our critical systems, may have an adverse effect on our business, results of operations and financial condition.

8. ***Any technical failure or unavailability of continuous access to the internet may disrupt our foreign exchange business operations which may have a material adverse effect on our business, results of operations and financial condition.***

Our foreign exchange business is one of the key revenue generating businesses of our Company. Our foreign exchange businesses are mainly supported by our online systems to give us a real time update of the prevalent foreign exchange rates. We hedge our foreign exchange exposure by taking forward covers in the interbank markets. As a result, hedging of our foreign exchange exposure is also dependent on the real time updates of the foreign exchange rates. Therefore, any technical failure or unavailability of continuous access to the internet may disrupt our foreign exchange business operations, which may have a material adverse effect on our business, results of operations and financial condition.



9. ***We do not own the trademark “Thomas Cook” and our Company has entered a brand license agreement dated August 14, 2012, with Thomas Cook UK Limited and Thomas Cook Indian IP Limited for use of, amongst other things, the trademark “Thomas Cook”.***

We believe that we are reputed in the industry in which we operate under the brand “Thomas Cook”. Pursuant to a brand license agreement dated August 14, 2012 (“**Agreement**”) executed by and between our Company, TCUK and TCIP. TCIP has granted our Company a non-exclusive, a non-assignable license to use the trademark “Thomas Cook”, trade name, domain names and logo (“**Trademarks**”) (which was registered in the name of TCUK, but later assigned in the name of TCIP), in connection with certain permitted businesses and our name. As a license holder, our Company does not enjoy the statutory protections accorded to the owner of a registered trademark and, as a result, we are subject to contractual risks. The Agreement is valid for a period of twelve (12) years and six (6) months commencing from August 14, 2012 and shall expire automatically at the end of such term without the need for any of the parties to give notice, subject to early termination as provided therein. This Agreement can, amongst other things, be terminated by TCIP in the event our Company is in material breach of the Agreement, which has caused material damage to the Trademarks and which has not been remedied by our Company within a period of 180 days of receipt of notice requiring remedy. We are not in a position to guarantee either the continued use of the Trademarks or renewal of the Agreement on a timely manner or at all. For more details please see “**Our Business**” on page 90 of this Offer Document.

10. ***You will not have access to our unconsolidated unaudited financial results, as of and for three month period ended March 31, 2013, to enable you to assess the latest financial performance of our Company in connection with your decision to subscribe to the Equity Shares issued pursuant to the Issue***

Pursuant to and in accordance with the provisions of Clause 41 of the Listing Agreement, our Company is required to publish its unconsolidated unaudited financial results, as of and for three month period ended March 31, 2013, on or prior to May 15, 2013. Upon such publication, our Company may discuss these financial results in customary investor presentations.

This Offer Document includes our Audited Consolidated Financial Statements, as of and for the years ended December 31, 2012, 2011 and 2010, and our Summary Consolidated Financial Information, as of and for the years ended December 31, 2012, 2011 and 2010. However, you will not have access to our unconsolidated unaudited financial results, as of and for three month period ended March 31, 2013, to enable you to independently assess the latest financial performance of our Company in connection with your decision to subscribe to the Equity Shares issued pursuant to the Issue.

11. ***As on March 31, 2013, there are 42 trademark applications made by us currently pending registration. We depend on our trademarks and proprietary rights, and any failure by us to protect our intellectual property rights may adversely affect our competitive position.***

Our business might be affected due to our inability to protect our existing and future intellectual property rights. We own various intellectual property rights, in particular, trademarks, which are fundamental to our brand giving us a competitive advantage. We use our intellectual property rights to promote and protect the goodwill of our brand, enhance our competitiveness and otherwise support our business goals and objectives.

As of the date of this Offer Document, 42 of our trademarks are pending registration and renewals under various classes of the Trademarks Act. Any delay or refusal to register these trademarks could adversely affect our businesses. We cannot guarantee that all the pending applications will be decided in our favour. If any of our trademarks are not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our businesses as prospective clients may go to such user of mark and our revenues may decrease. For more details please see “**Our Business**” on page 90 of this Offer Document.



12. ***Our Company has entered into, and may continue to enter into, related party transactions. We cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with un-related parties.***

Our Company has from time to time engaged in a variety of transactions with our Subsidiaries, in our ordinary course of business. The transactions we have entered into have involved, and any future transactions with our related parties could potentially involve, conflicts of interest. Furthermore, it is likely that we will continue to enter into related party transactions in the future. Our policy on transactions with associated companies is that such transactions are conducted on an arm's length basis in the ordinary course of business. Related party transactions are disclosed in the Audited Consolidated Financial Statements as per AS 18 - Related party disclosure requirements.

Although regulations in India do require disclosure of related party transactions in a listed company's financial statements, such regulations do not require shareholders' approval or an independent assessment of connected or related party transactions. Further, we cannot assure you that the terms of the transactions that we enter into with our related parties were, or will be, beneficial to us. For further details, please refer to "**Board of Directors and Key Managerial Personnel**" on page 111 of this Offer document.

13. ***We enter into a large number of agreements with travel agencies, hotels and airlines in our ordinary course of business. These agreements are typically short term agreements and are subject to renewal. Any inability to renew these agreements on favourable terms or at all could have a material adverse effect on our business, results of operations and financial condition.***

We enter into a large number of agreements with travel agencies, hotels and airlines in our ordinary course of business. These agreements, while being short term and subject to renewal, play an important role in enabling us to provide a complete integrated services package to our customers. While these agreements are typically renewed upon expiry, we cannot assure you that such agreements would be renewed on favourable terms or at all. Any inability to renew these agreements could have a material adverse effect on our business, results of operations and financial condition.

14. ***We do and continue to face claims / liabilities / suits from our customers should they perceive any deficiency in service or in the event of bodily harm / injury to them while on the tours organized by us.***

We arrange tours directly and through our associates, and believe in providing quality customer service and due care while providing these services. While we attempt to mitigate associated risks which may occur due to factors beyond our control through appropriate insurance cover, we may not be able to adequately cover all such risks. We may face financial liabilities or loss of reputation in the event of any accidents or mishaps that may occur on our tours. While we endeavour to take maximum possible precautions, any accidents or mishaps that may occur during our tours may have an adverse effect on our business, results of operations and financial condition.

15. ***Though we hedge our foreign currency exposure, as a part of our wholesale forex business and travel and travel related services, we are subject to risks related to fluctuations in foreign exchange rates.***

All outbound tours are charged to our clients in the currency that is paid to our service providers, which exposes us to the risk of foreign currency fluctuations for the payments to our service providers in the outbound tours. We deal in purchase and sale of foreign currency and any adverse fluctuations in the foreign exchange rates may have an impact on volumes of our wholesale business. Though we hedge all our foreign exposure, we are exposed to the risk till we have hedged our exposure. Therefore any foreign exchange rate fluctuation may affect our business, results of operations and financial condition.

16. ***We face stiff competition from other players operating in this sector and also from the un-organized sectors.***

We operate in a highly competitive market. Many Indian and foreign players have entered the market both in the



online and offline space. Pricing is one of the factors that play an important role in our customers' selection of our products. There are several strategies adopted by our competitors to increase their market share through advertising, pricing, service, new product introductions and distribution reach among others. This increased competition by both traditional and new players may affect our margins. In order to protect our existing market share or capture market share, we may be required to increase expenditure for advertising and promotions and to introduce and establish new products. Competition from a variety of competitors in the organized and un-organised sectors may adversely affect our operations and profitability. For further details, please see "Our Business" on page 90 of this Offer Document.

17. ***We require certain approvals or licenses in the course of our businesses, including with respect to investment in certain of our Subsidiaries, and any failure to obtain such approvals or licenses, or retain them in a timely manner, or at all, may have a material adverse effect on our business, results of operations and financial condition.***

We currently require various approvals, licenses, registrations and permissions for operating our businesses, including with respect to investment in certain of our Subsidiaries, some of which are due to expire and for which we have either made or are in the process of applying for obtaining or renewing such approvals. These approvals, licenses, registrations and permissions may be subject to numerous conditions. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or a regulator claims that we have not complied with such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations and financial condition.

Furthermore, our operations are contingent upon, amongst other things, receipt / renewal of the requisite licenses, permits and authorizations, including local permits. While we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure to renew, maintain or obtain the requisite permits or approvals may result in the interruption of our operations, which may have a material adverse effect on our business, results of operations and financial condition.

18. ***Our Company had received a letter from the NSE on May 9, 2012 for non-compliance with Rule 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 ("SCRR"). Any inability by our Company to comply with the public shareholding threshold prescribed under the SCRR could result in penal action being taken against our Company and, in certain instances, suspension or delisting of our Equity Shares.***

Our Company received a letter from the NSE on May 9, 2012 with respect to the shareholding pattern submitted by the Company for the quarter ended March 31, 2012 stating that the Company's public shareholding for the quarter ended March 31, 2012 was below the prescribed minimum public shareholding level of 25%. Our Company proposes to comply with the minimum public shareholding level prescribed under the SCRR by way of this Issue. Any inability by our Company to comply with the public shareholding threshold prescribed under the SCRR could result in penal action being taken against our Company and, in certain instances, suspension or delisting of our Equity Shares. We may not be able to meet these requirements even after the Allotment of Equity Shares pursuant to the Issue and to meet such requirements, our Promoters may sell or we may issue Equity Shares in the future.

19. ***The control of our Company has undergone several changes since its inception, including three changes in control within the last seven years. While our Company is currently controlled and promoted by Fairbridge, we cannot assure you that such changes in control would not occur going forward. Furthermore, such changes in control may have an adverse effect on our business, results of operations and financial condition.***

Our Company was originally promoted by Thomas Cook Overseas Limited, UK. Our Company undertook an initial public offering in 1982. Since the listing of our Company's Equity Shares, the controlling interest in our promoter companies has undergone several changes, thereby resulting in several indirect changes in control of our Company. Furthermore, over the last seven years, the control of our Company has changed hands three times, *i.e.* from Thomas



Cook Overseas Limited to Dubai Financial LLC, from Dubai Financial LLC to TCUK and TCIM, and, consequently, from TCUK and TCIM to Fairbridge.

The current promoter of our Company, Fairbridge is a subsidiary of Fairfax Financial Holdings, Canada (“**Fairfax**”), which was founded in 1985 by its present Chairman and CEO – Mr. Prem Watsa. While our Company is currently controlled and promoted by Fairbridge, which represents Fairfax’s long term investment philosophy, we cannot assure you that such changes in control would not occur going forward. Furthermore, such changes in control may have an adverse effect on our business, results of operations and financial condition.

20. ***We cannot assure you that the disassociation of our Company from TCUK may not have any impact on our business, results of operations and financial condition.***

While under the control of TCUK and TCIM, we drew a certain amount of business from TCUK in relation to our inbound travel related services. Our Company is currently owned and controlled by Fairbridge and is not reliant on TCUK for our business. Though the business drawn from TCUK does not have a material impact on our business, we cannot assure you that the disassociation of our Company from TCUK may not have any impact on our business, results of operations and financial condition.

21. ***Our Promoter has limited experience in the travel and tourism and foreign exchange industries, which may affect our ability to operate our business or implement our strategies successfully, thereby adversely impacting our business, results of operations and financial condition.***

Our Promoter is licensed by the Financial Services Commission of Mauritius (“**FSC**”) to act as an investment holding company as per its business plan filed with the FSC and has limited experience in operating and managing companies engaged in the travel and tourism and foreign exchange industries. Given our Promoter’s lack of experience and expertise in these industries, we may not be able to anticipate or evaluate business risks, especially in a volatile economic scenario. Our Promoter’s failure to effectively operate our Company in the travel and tourism and foreign exchange industries could affect our consolidated performance, thereby, adversely impacting our business, results of operations and financial condition.

22. ***Our growth will depend on our ability to sustain our brands and failure to do so will have a negative impact on our ability to compete, which may have an adverse effect on our business, results of operations and financial condition.***

We believe that our brands are well respected and recognised in the market today. Continuing efforts towards building and sustaining our brands will be critical for the recognition of our services. Our ability to effectively promote and position our brand will depend largely on the success of our marketing efforts and our ability to back that with high quality services. Brand promotion activities may /may not result in incremental revenues, and even if they do, any incremental revenues may not offset the expenses we incur in these brand building efforts.

The trademark ‘*Thomas Cook*’ is not owned by us and can be licensed by the owner to the other persons for use outside India, Sri Lanka and Mauritius. Actions by other users of the trademark in other jurisdictions may have a material adverse effect on the trademark and our ability to exploit the same.

23. ***Our Company has announced a potential acquisition of IKYA, which is subject to, amongst other things, customary closing conditions contained in the transaction documentation, requisite regulatory approvals and the availability of requisite funds through permissible sources. Furthermore, this acquisition may, at our Company’s discretion, be completed either by itself or through any of its affiliates, including our Company’s promoter, Fairbridge.***

Our Company has, on February 5, 2013, announced a potential acquisition of up to 74.85% of the fully diluted equity share capital of IKYA. As a result, upon the completion of this acquisition, IKYA will become a subsidiary of



our Company. However, this potential acquisition by our Company is subject to, amongst other things, customary closing conditions contained in the transaction documentation, applicable regulatory approvals and the availability of requisite funds through permissible sources. As a result, if these conditions are not fulfilled, this acquisition will not be completed.

Furthermore, the transaction documentation entered into by our Company in relation to this potential acquisition provides that our Company may, at its discretion, complete the acquisition of IKYA either by itself or through any of its affiliates, including our Company's promoter, Fairbridge. In case the acquisition of IKYA, is completed either through any of our Company's affiliates or Fairbridge, IKYA may not be consolidated with our Company.

24. ***We have recently announced a potential acquisition of IKYA and may continue to undertake strategic acquisitions and business expansions in the future, which may be difficult to integrate and manage. Failure to successfully manage the integration of such acquisitions may adversely affect our business, results of operations and financial condition.***

Our Company has, on February 5, 2013, announced a potential acquisition of up to 74.85% of the fully diluted equity share capital of IKYA. IKYA offers specialized human resources services, which is not related to the services provided by our Company. Any acquisition requires a significant commitment of management time, capital investment and other resources. If we are unable to effectively execute our planned acquisitions or integrate any acquired businesses, our business, financial condition and results of operations may be adversely affected. We cannot assure you that we will achieve the strategic purpose of any acquisition or operational integration or an acceptable return on such investments.

In addition to this potential acquisition of IKYA, we may make further acquisitions and investments as well as business expansions to enhance our operations and capabilities. Even if we identify suitable acquisition targets or areas of expansion, there can be no assurance that we will be able to raise sufficient funds to finance these acquisitions or our expansion plans. Furthermore, there can be no assurance that we will be able to consummate expansion, acquisitions or alliances in the future on terms acceptable to us, or at all. In addition, there can be no assurance that the integration of any future expansion or acquisitions will be successful or that the expected strategic benefits of any future expansion, acquisitions or alliances will be realised.

Further expansion and acquisitions may require us to incur or assume substantial new debt, expose us to future funding obligations and integration risks and we cannot assure you that such expansion or acquisition will contribute to our profitability. Failure to successfully integrate an acquired business or inability to realise the anticipated benefits of such expansion or acquisition could adversely affect our business, results of operations and financial condition.

25. ***Our Audited Consolidated Financial Statements, as at and for the Fiscal Year 2012, have not been approved by the shareholders of our Company. As a result, our Audited Consolidated Financial Statements, as at and for the Fiscal Year ended 2012, and our Summary Consolidated Financial Information, as at and for the Fiscal Year 2012, may not be fully comparable.***

Our Audited Consolidated Financial Statements, as at and for the Fiscal Year 2012, have been approved by our Board at its meeting on February 19, 2013. These Audited Consolidated Financial Statements, as at and for the Fiscal Year 2012, are subject to approval of our shareholders at the ensuing annual general meeting proposed to be held by our Company on June 6, 2013. As a result, our Audited Consolidated Financial Statements, as at and for the Fiscal Year ended 2012, and our Summary Consolidated Financial Information, as at and for the Fiscal Year 2012, may change based on the decisions taken by our shareholders at the ensuing annual general meeting and, therefore, our Audited Consolidated Financial Statements and our Summary Consolidated Financial Information may not be fully comparable.



**26. *The nature of certain of our operations presents inherent risks of loss that, if not insured against, could adversely affect our business, results of operations, financial condition and prospects***

Our Company exports foreign currency notes on a daily basis from our export centers located at Mumbai and New Delhi (“**Export Centers**”). These foreign currency notes are collected from all over India and are delivered to our Export Centers. The transport of such foreign currency notes is outsourced to private security agencies. However, under the terms of our arrangements with such private security agencies, our Company is liable for any loss, theft, etc. of such foreign currency notes which may occur during the transit period.

The export of such foreign currency notes also exposes our Company to the risk that certain of these foreign currency notes may be counterfeit. While our Company undertakes appropriate measures to verify the authenticity of such foreign currency notes, we cannot assure you of the effectiveness of such measures.

While our Company endeavours to protect itself in relation to these risks through insurance, there is no assurance that such insurance will adequately protect our Company against any liability arising from all of the consequences described above. The occurrence of such an event not fully insured against, or the failure or inability of an insurer to meet its insurance obligations could result in substantial losses to our Company. In addition, there can be no assurance that the insurance availed by our Company will be available to cover any or all of these risks, or, even if available, that it will be adequate or that insurance premiums or other costs will not rise significantly in the future, so as to make such insurance prohibitive.

**27. *Our business operations are spread across geographies, which exposes us to several risks many of which are beyond our control.***

We have operations either directly or through our Subsidiaries or representative offices in India, United States of America, United Kingdom, Mauritius, Sri Lanka, Germany, Spain and Japan and we service clients across Asia including South Korea and China, Europe, Russia, Australia and North America. We conduct tours across the globe and service clients from respective regions. As a result, we are exposed to risks typically associated with conducting business internationally like currency fluctuations, economic, political, regulatory changes including legal and tax regimes, many of which are beyond our control. The occurrence, amongst other things, of any of these events could have a material adverse effect on our business, results of operations and financial condition.

**28. *Some segments of our business, for example leisure, are seasonal in nature. Any disruptions of our operations or adverse external factors affecting business during these key seasons may lead to a reduction in our revenues and may have an adverse impact on our business, results of operations and financial condition.***

Revenues from the travel and tourism industry segment are affected by seasonality and depend on various factors such as holidays, economic conditions, weather conditions and the political conditions in the destination for travel and in India. Our revenues are generally higher for inbound tourism during the second half of each fiscal year as compared to the first half of the fiscal year. The first half of our fiscal year includes India’s summer and monsoon seasons hence inbound leisure travelers coming into the country and domestic leisure travelers are substantially fewer than in the second half of the year. On the other hand, being the period including school/college summer holidays, outbound travel from India and therefore revenues for outbound tourism are higher in the first half of the fiscal year. Any disruptions of our operations or adverse external factors affecting business during these key seasons may lead to a reduction in our revenues and may have an adverse impact on our business, results of operations and financial condition.

**29. *Out of ten Subsidiaries, including step down Subsidiaries, of our Company, six Subsidiaries have incurred losses in the last three years. If our Subsidiaries incur losses in the future as well, then the same will affect our consolidated revenues and may have an adverse impact on our business, results of operations and financial condition.***

The following Subsidiaries have incurred losses in the last three years, as set forth in the table below:



Particulars	Post Audit and Post Tax 2010	Post Audit and Post Tax 2011	Post Audit and Post Tax 2012
Thomas Cook Insurance Services (India) Limited	-	₹ (10,728,906)	₹ (10,563,108)
TC Visa Services (India) Limited	NA	NA	₹ (378,583)
Thomas Cook (Mauritius) Holding Company Limited	USD (10,590)	USD (53,205)	USD (31,620)
Thomas Cook (Mauritius) Operations Company Limited	MUR (15,093,913)	MUR (174,089)	-
Thomas Cook (Mauritius) Travel Limited	MUR (126,398)	MUR (213,502)	MUR (172,196)
Thomas Cook (Mauritius) Holidays Limited	-	MUR (3,005,494)	MUR (9,686,285)

For a detailed description of our Subsidiaries, please see “**Our Business**” on page 90 of this Offer Document.

We can give you no assurance that our Subsidiaries will not continue to incur losses in future, that their net worth will be positive in the future or that any of the foregoing will not materially affect our business, results of operations and financial condition.

30. *Our Company has extended finance in the form of capital/ advances, in ordinary course of business, to its Subsidiaries. If the businesses and operations of these Subsidiaries deteriorate, our Company may be required to write down or write off such capital /advances.*

Our Company has made and continues to incur capital investments and other commitments towards its Subsidiaries for augmenting their respective businesses. These investments and commitments may include capital contributions to enhance the financial condition or liquidity position of our Subsidiaries. Our Company may make capital investments in the future, which may be financed through additional debt, including through debt of Subsidiaries. If the businesses and operations of these Subsidiaries deteriorate, our Company’s investments may be required to be written down or written off. Additionally, certain advances may not be repaid or may need to be restructured or our Company may be required to outlay further capital under its commitments to support such companies. The aggregate value of the capital investments made by our Company in our Subsidiaries as on December 31, 2012 is as follows:

Sr. No.	Particulars	Amount in ₹
1	1,576,698 fully paid up Equity Shares of ₹10 each of Travel Corporation (India) Limited.	1,848,427,470
2	1,655,500 fully paid up Equity Shares of USD 1 each of Thomas Cook (Mauritius) Holding Company Limited.	73,248,730
3	50,000 fully paid up Equity Shares of ₹10 each of Thomas Cook Insurance Services (India) Limited.	500,000
4	50,000 fully paid up Equity Shares of ₹10 each of Indian Horizon Travel and Tours Limited.	500,000
5	50,000 fully paid up Equity Shares of ₹10 each of Thomas Cook Tours Limited.	500,000
6	3,881,256 fully paid up Equity Shares of SLR 10 / each of Thomas Cook Lanka (Private) Limited.	15,841,219
		<b>1,939,017,419</b>
7	Advances against Investments in Subsidiary	31,658,781
		<b>1,970,676,200</b>

31. *If we are unable to service our debts, or breach the covenants of our debts and such breach is not waived, then it may adversely affect our business, results of operations and financial condition.*

As at December 31, 2012, we had availed of secured borrowings including current maturities of finance lease obligations reported as part of ‘*Other Current Liabilities*’ and unsecured borrowings aggregating to ₹1,872,903,365, on a consolidated basis. In this regard, CRISIL has reaffirmed our long term rating of ‘AA- /stable’ and short term rating of ‘A1+’ for our Company’s short term bank loan facilities. Furthermore, on April 15, 2013 our Company



allotted, 1000 non-convertible debentures having face value of ₹1,000,000 each aggregating up to ₹1,000,000,000.

We must comply with various financial and other covenants under the loan agreements that we are a party to. Under some of these loan agreements, we are required to intimate or seek consents of our lenders for activities, which require any alteration of our capital structure, expansion or diversification of our business, change in the control of the management or our Company etc. We have intimated and obtained the consents, wherever required, of our existing lenders in relation to the Issue. Moreover, our credit facilities may contain covenants that limit our operating and financing activities. We cannot assure you that the interests of our shareholders will not conflict with the interests of such lenders, and that any such conflict will not adversely affect the interests of our shareholders. Our failure to obtain waivers for any existing or future non-compliance of, or our inability to comply with, such undertakings or restrictive covenants in a timely manner, or at all, could also result in an event of default, which may result in an increase in the applicable interest rates or the acceleration of the relevant indebtedness and, through cross-default clauses, other indebtedness containing cross-default provisions. An event of default could also severely and negatively affect our ability to raise new funds or renew maturing borrowings on terms and conditions acceptable to us that may be needed to conduct our operations and pursue our growth initiatives.

Our ability to meet our payment obligations and to fund planned capital expenditures will depend on the success of our business strategy and our ability to generate sufficient cash flows from our operations in order to satisfy our obligations, which are subject to many uncertainties and contingencies beyond our control. In recent years, credit markets worldwide have experienced significant volatility including a reduction in liquidity levels, increasing costs for credit protection and a general decline in lending activity between financial institutions and in commercial lending markets worldwide. As a result, we have to incur increased financing costs. We cannot assure you that we will be able to raise financing on favourable terms or at all to repay our existing liabilities, which could adversely affect our business and financial condition. Any subsequent action taken by our lenders may, individually or in aggregate, may have a material adverse effect on our business, results of operations and financial condition.

**32. *Some of the lease/leave & license agreements in respect of premises being utilized by us / our Subsidiaries have expired and are pending renewal.***

Most of the offices through which we operate our business are taken by us on leave and license or on lease with third parties. Our registered office is also situated, on land leased to us by the Municipal Corporation of the City of Bombay (now Brihan Mumbai Mahanagarpalika) (the "BMM"). The revised rent demand from the BMM, which was at a significantly higher level as compared to the original rent, was challenged by us in the High Court at Bombay. The Bombay High Court directed BMM to appoint a senior officer to decide the matter on merits. Although, we have paid the rent on the land up to November 2013 as directed by the BMM, we are not in a position to quantify the potential increased liability towards rent, if any, at this stage.

Further, certain of our branch offices are also on lease or leave and license basis. Any adverse impact on the title, ownership rights and/or development rights of our landlords from whose premises we operate, or breaches of the contractual terms of such lease and leave and license agreements, may impede our operations. In the event such leases or licenses are not renewed on favourable terms or at all, or there is any disruption in our business activities due to deficiency of title, our operations and in turn profitability will be adversely impacted.

**33. *Neither our Company nor the Managers or any person or entity associated with either of them has independently verified the information in relation to IKYA included in this Offer Document. Investors are advised not to place undue reliance on such information in relation to IKYA included in this Offer Document.***

This Offer Document includes certain information in relation to IKYA. Furthermore, the financial information of IKYA included in this Offer Document are sourced from the audited financial statements of IKYA as at and for the financial years ended March 31, 2012 and 2011, and from the unaudited financial statement of IKYA as at and for the nine months period ended December 31, 2012.



This information in relation to IKYA does not purport to be complete and has not been independently verified by our Company, the Managers or any person or entity associated with either of them. Given the uncertainty of such information, investors are cautioned not to place undue reliance on such information in relation to IKYA included in this Offer Document.

34. ***Fraud and significant security breaches in our computer system and network infrastructure could adversely impact our business, results of operations and financial conditions.***

Although we take adequate measures to safeguard against system-related and other fraud, there can be no assurance that we would be able to prevent fraud. Our reputation could be adversely affected by fraud committed by employees, customers or outsiders. We may face the risk of fraud due to the increased geographical dispersion and use of intermediaries. Physical or electronic break-ins, security breaches, *etc.*, could also affect the security of information stored in and transmitted through our computer systems and network infrastructure. Although we have implemented security technology, operational procedures to prevent such occurrences, seek appropriate insurance covers and keep continuously improving our processes and procedures towards meeting benchmarked standards, there can be no assurance that these security measures will be effective. A significant failure in security measures could have a material adverse effect on our business. In addition, we may be subject to risks such as theft or misuse of personal information stored on our systems by employees or outsiders, any problems arising due to wrong scheduling of the tour or any part of the tour and other unauthorized tampering of our data.

35. ***There are operational risks associated with our industry which may have an adverse impact on our business, results of operations and financial condition.***

We are exposed to many types of operational risk, including increases in operating expenses, such as salaries and staff costs, insurance and taxes, increases in hotel room rates and air fares, transportation and fuel costs for sustained periods in India and internationally, misreporting or non-reporting with respect to statutory, legal or regulatory reporting and disclosure obligations, or operational errors, including clerical or record keeping errors. We also outsource many of our functions i.e., customer care to call center and etc., which may not be carried out by the standards expected from our Company. We also run the risk of transactional errors resulting from various factors including human error, systems failures etc. We are aware of such risks and have implemented systems and protocols to minimise the same, but we cannot assure that we will be able overcome these risks. If we are not able to overcome these risks, then it may have a material adverse effect on our business, results of operations and financial condition.

36. ***We are highly dependent on our management team and key managerial personnel and our inability to retain and attract skilled personnel could adversely affect our business, results of operations and financial condition.***

Our business and our success are dependent upon our core management team which oversees the day-to-day operations, strategy and growth of our business. If one or more members of our core management team are unable or unwilling to continue in their present positions, such persons could be difficult to replace and our business, financial condition and results of operations could be adversely affected. In this regard, we cannot assure you that we will be able to retain our skilled senior management or managerial personnel or continue to attract new talents in the future.

Our ability to meet future business challenges depends on our ability to attract and recruit skilled personnel for our operations. We face strong competition to retain and recruit skilled and professionally qualified staff. The loss of key managerial personnel or any inability to manage the attrition levels in different employee categories could adversely impact our business, growth plans and control over various business functions.

37. ***Our inability to manage growth could disrupt our business and reduce our profitability.***

A principal component of our strategy is to continue growing by expanding the size and geographical scope of our businesses through new business development initiatives. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational,



financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure and more importantly adhering to quality and high standards that meet customer expectations. Any inability on our part to manage such growth may have an adverse effect on our business, results of operations and financial condition.

38. ***Certain type of risks may not be covered under our existing insurance policies since these may be uninsurable or not economically insurable.***

We maintain insurance policies for our material assets and business related risks. However, certain losses may arise due to assets being not economically insurable or loss situations where the risks are not insured. Should an uninsured loss occur, we might need to incur significant investment to make good the loss. Further, our insurance premium for future policies could also increase. Such eventualities could have a material adverse effect on our business, results of operations and financial condition.

39. ***We enter into agreements with our service providers or agents for our businesses, if these agreements are not renewed on favourable terms to us or not renewed at all, then it may affect our business, results of operations and financial conditions.***

We enter into agreements with our service providers or agents for our businesses. These agreements are entered for specific periods and are subject to renewal on the expiration of the same. We may renew these agreements based on the business generated by them or choose not to. We cannot assure that we may be able to renew these agreements at more favourable terms to us or will be able to renew these agreements at all. If we are unable to renew these agreements at terms favourable to us or at all, it may adversely affect our business, results of operations and financial condition.

40. ***Material changes in the regulations that govern us or our Subsidiaries in India or abroad may cause our business to suffer.***

Our business and activities are regulated by the Foreign Exchange Management Act, 1999 including the rules, regulations and policies made thereunder, the circulars/ notifications, guidelines and instructions issued by the RBI from time to time as well as the Ministry of Tourism and IATA. Outbound Tours account for a significant portion of our revenues. Generally the laws of a country are devised to promote tourism. But any change in the Indian laws or laws and regulation of such countries, where we take tours, which results in restricting the number of tourist visas or such other restriction which directly or indirectly restricts the number of arrivals in general or from a specific country in particular could have an adverse effect on our business, results of operations and financial condition.

41. ***Fluctuations in our revenue and profit levels may cause fluctuations in the value of our Equity Shares.***

Although we have enjoyed growth of revenues, fluctuations in revenue levels over short periods of time or over sustained periods of time due to any set of variable factors, including the maintenance of our competitive advantage in terms of cost and skill, retention of customers, industry fluctuations and adverse regulatory changes cannot be ruled out. Any of these or other circumstances could have a material adverse effect on our ability to sustain our revenue levels in the short-term as well as long term. A revenue plateau or decline due to any set of reasons would adversely affect investor perception. Furthermore, there may be instances in the future where our performance is below expectations of market analysts and our investors. This could lead to fluctuations or a decline in the market value of our Equity Shares over the short term or over a sustained period of time.

42. ***We are subject to regulatory and legal risk which may adversely affect our business.***

Our operations are subject to regulations framed by various regulatory authorities in India and other jurisdictions, including regulations relating to foreign investment in India, investments by our Company overseas as well as in India. Compliance with many of the regulations applicable to us across jurisdictions including any restrictions on



investments and other activities currently being carried out by our Company involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected.

We are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that these laws will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance.

43. ***Any occurrence of an epidemic in the countries where we operate tours may have an adverse effect on the operations of our business, results of operations and financial condition.***

The recent occurrence of swine flu, sars disease, bird flu or mad cow epidemic saw a drop in the number of tourist arrivals in the affected countries. The suspension of flights as a precautionary measure also impacts the numbers of tourists coming into the country. We have experienced cancellations of the tour bookings in light of such epidemics. Though we have in the past managed to control the losses by directing the tours to other countries, we may in the future not be able to control the losses due to cancellations on account of such epidemics. Also we may have to adopt low price promotion policies, which may affect our profitability.

#### **Risks associated with Equity Shares**

44. ***Grants of stock options under our TCIL ESOP and TCIL SAYE will result in a charge to our profit and loss account and will to that extent reduce our profits.***

We have adopted the TCIL ESOP, under which eligible employees of our Company and our Subsidiaries are able to participate, subject to such approvals as may be necessary. The total number of Equity Shares arising as a result of full exercise of options, as on date, would amount to 1,08,00,000 Equity Shares. For further details on the exercise price of the stock options please refer to the section titled “**Board of Directors and Key Managerial Personnel**” on page 111 of this Offer Document.

In addition to the TCIL ESOP, in December 2010, our Company instituted TCIL SAYE to invite eligible employees to acquire Equity Shares by saving part of their salary on a regular basis. TCIL SAYE was implemented for the employees of our Subsidiaries as well. Pursuant to TCIL SAYE, employees shall have the option, at the end of three years, to either purchase a specific number of Equity Shares at a predetermined exercise price or withdraw the monthly savings contributions along with the interest accrued. The maximum number of Equity Shares that could be issued pursuant to exercising of the options granted under the TCIL SAYE cannot exceed 3,000,000 Equity Shares.

Under Indian GAAP, the grant of these options may result in a charge to our consolidated profit and loss account based on the difference between the fair market value of the equity shares of the Company determined on the date of the grant of the options and the exercise price of the options. This expense will be amortised over the vesting period of the options.

45. ***Future issuances or sales of the Equity Shares could significantly affect the trading price of the Equity Shares.***

The future issuance of Equity Shares by our Company or the disposal of Equity Shares by any of our Company’s major shareholders or the perception that such issuance or sale may occur may significantly affect the trading price of the Equity Shares. In addition to the options exercisable pursuant to our TCIL ESOP and TCIL SAYE, Class B Preference Shares and Class C Preference Shares currently remain outstanding. The exercise of any of these options or conversion of these Preference Shares into Equity Shares would entail additional issuances of Equity Shares, which may significantly affect the trading price of the Equity Shares.

46. ***We may continue to be controlled by our Promoter and Promoter Group, who by virtue of their aggregate shareholding will collectively own a substantial portion of our issued Equity Shares, as a result of which, the***



***remaining shareholders may not be able to affect the outcome of shareholder voting.***

After the completion of this Issue, our Promoter and Promoter Group will collectively hold approximately 75% of the Equity Share, of the post Issue paid up capital of the Company. Consequently, they will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be passed with a majority shareholder vote. In addition, our Promoters and Promoter Group have the ability to block any resolution by our shareholders, including the alterations of the Articles of Association, issuance of additional shares of capital stock, commencement of any new line of business and similar significant matters. The Promoters will be able to control most matters affecting us, including the appointment and removal of officers, our business strategies and policies, dividend payouts and capital structure and financing, delay or prevent a change in our control, impede a merger, consolidation, takeover or other business combination involving us, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us even if such action was in the best interests of the Shareholders as a whole.

Our Promoters and Promoter Group will also continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests and or the interests of our minority shareholders, and there can be no assurance that such actions will not have an adverse effect on our future financial performance and the price of our Equity Shares. Consequent to all the above mentioned factors, our Promoters and Promoter Group may exercise substantial control over us and, *inter alia*, may have the power to elect our Directors and/or influence the outcome of proposals for corporate action requiring approval of our Board of Directors or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy, further issue of shares and strategic acquisitions/joint ventures.

***47. Our Company's ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

The amount of future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, the terms and conditions of our indebtedness and capital expenditures. Any declaration and payment as well as the amount of dividend will also be subject to the constitutional and contractual documents including our financing documents and applicable laws and regulations in India, including, in case of any final dividend, the approval of shareholders. There can be no assurance that our Company will be able to pay dividends in the future.

***48. You may not be able to immediately sell any of the Equity Shares you purchase in the Issue on the Stock Exchanges, which will subject you to market risk.***

For shareholders holding shares in demat mode, the Equity Shares purchased in this Issue will not be credited to their demat accounts with depository participants and for shareholders holding in physical form, completion of dispatch of physical share certificates may not be completed until approximately 15 days from the Issue Closing Date. You can start trading your Equity Shares only after receipt of listing and trading approvals in respect of these shares which will require additional time after the credit of Equity Shares into your demat account. Since our Company's Equity Shares are already listed on BSE and NSE, you will be subject to market risk from the date you pay for the Equity Shares offered through this Issue to the date they are listed.

***49. The trading price of the Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Clearing Prices.***

The trading prices of publicly traded securities may be highly volatile. Factors affecting the trading price of the Equity Shares include:

- The performance of the financial markets in India and globally;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;



- Dependency on our service providers for providing quality service to our customers;
- Increasing competition or other factors affecting the industry segments in which our Company operates;
- Fluctuations in the foreign currency rates;
- Increasing penetration of the internet and online payment solutions;
- Technical failure or unavailability of continuous access to the internet;
- Any adverse outcome in the legal proceedings in which we are involved; and
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;

In addition, if the stock markets experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares.

**50. *The Equity Shares are subject to transfer restrictions.***

The Equity Shares are being offered in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Therefore, the Equity Shares may be transferred or resold only in a transaction registered under, exempt from or not subject to the registration requirements of the Securities Act and in compliance with any other applicable securities laws. See “Transfer Restrictions”.

**51. *An investor will not be able to sell any of the Equity Shares purchased in the Issue other than on a recognised Indian stock exchange for a period of 12 months from the date of issue of such Equity Shares.***

Pursuant to the SEBI Regulations, for a period of 12 months from the date of the issue of the Equity Shares in the Issue, investors purchasing the Equity Shares in the Issue may only sell their Equity Shares on the recognised stock exchanges and may not enter into any off-market trading in respect of the Equity Shares purchase in this Issue. We cannot be certain that these restrictions will not have an impact on the price of our Equity Shares.

**52. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely affect the market price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI and other applicable governmental authorities. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI and other applicable governmental authorities will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilising the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government’s approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any approval required from the RBI or any other applicable government authority can be obtained on any particular terms or at all.

**Risks Relating to India**

**53. *Acts of terrorism and other similar threats to security could adversely affect our business, cash flows, results of operations and financial condition.***



Increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several countries and regions in which we operate, strained relations arising from these conflicts and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt our operations or those of our customers and suppliers. These events have had and may continue to have an adverse impact on the global economy and customer confidence and spending in particular, which could in turn adversely affect our revenue, operating results and cash flows. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of our securities and may limit the capital resources available to us and to our customers and suppliers.

**54. *Natural disasters could have a negative impact on the Indian economy and damage our facilities.***

In addition, natural disasters such as floods, earthquakes or famines have in the past had a negative impact on the Indian economy and the customers do not wish to travel in such areas due to fear of the natural calamities. If any such event were to occur, our business could be affected due to the event itself or due to our inability to effectively manage the effects of the particular event. If travel and tourism generally affected due to the occurrence of any such event, it may be impractical or impossible to transfer to another locations and have a material adverse effect on our ability to provide products to our customers, and thus we could be materially and adversely affected.

**55. *The Travel and Tourism Industry in India is cyclical and sensitive to changes in the economy and this could have a significant impact on our business, results of operations and financial conditions.***

The Travel and Tours industry is cyclical and sensitive to changes in the economy in general. The sector may be unfavourably affected by such factors as changes in the global and domestic economies, changes in local market conditions. If the economic growth of India slows down there may be a gradual decline in the willingness for people to travel. A global or domestic recession may severely impact the Tour and Travel Industry and consequently our business. Such adverse developments in the Tour and Travel Industry in India or in the countries where our Subsidiaries are located or where we have branch offices will have a negative impact on our profitability and financial condition.

**56. *Political instability or significant changes in the economic liberalisation and deregulation policies of the Government of India or in the government of the states where we operate could disrupt our business.***

The Indian Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of our securities may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. In recent years, India has been following a course of economic liberalisation and our businesses could be significantly influenced by economic policies followed by the Indian Government. Further, our businesses are also impacted by regulation and conditions in the various states in India where we operate. However, we cannot assure you that such policies will continue in the future. Indian Government corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalisation and deregulation and our Company may have a materially adverse effect on our business, results of operations and financial conditions.

**57. *Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Capital gains arising from the sale of the Equity Shares are generally taxable in India. Any gain realised on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax, or STT, has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realised on the sale of the Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of the Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital



gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares. For more information, please refer to "**Taxation**" on page 158 of this Offer Document.

58. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance and our ability to obtain financing to fund our growth, as well as on the trading price of the Equity Shares.

59. ***Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Company's Audited Consolidated Financial Statements are prepared and presented in conformity with Indian GAAP which has been consistently applied during the periods stated, except as provided in such consolidated financial statements. No attempt has been made to reconcile any of the information given in this Offer Document to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and auditing standards with which prospective investors may be familiar in other countries. If the Audited Consolidated Financial Statements of our Company were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our Audited Consolidated Financial Statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

60. ***There may be less information available in the Indian securities markets than in more developed securities markets in other countries.***

There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in securities markets in more developed economies. The SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be, however, less publicly available information about Indian companies than is regularly made available by public companies in more developed countries, which could adversely affect the market for our Equity Shares. As a result, investors may have access to less information about our business, financial condition, cash flows and results of operation, on an on-going basis, than investors in companies subject to the reporting requirements of other more developed countries.

61. ***Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against the Company.***

Our Company is a limited liability company incorporated under the laws of India. Substantially, all the Directors of our Company and all of its senior management are residents of India. A substantial portion of our assets and the assets of Indian resident Directors and executive officers of our Company are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian practice. For further details, please refer to "**Enforcement of Civil Liabilities**" at page 16 of this Offer Document.



62. ***Public companies in India, including our Company, may be required to prepare financial statements under IFRS or a variation thereof, Indian Accounting Standards (“IND AS”). The transition to IND AS in India is still unclear and we may be adversely affected by this transition.***

Public companies in India, including our Company, may be required to prepare annual and interim standalone/consolidated financial statements under IFRS or a variation thereof. The ICAI has released a near-final version of IND AS titled “First-time Adoption of Indian Accounting Standards” and the Ministry of Corporate Affairs of the Indian Government (“MCA”), on February 25, 2011, has announced that IND AS would be implemented in a phased manner and the date of such implementation would be announced at a later date. As at the date of this Offer Document, the MCA has not notified the date of implementation of IND AS. There is not yet a significant body of established practice for forming judgments regarding its implementation and application. Additionally, IND AS has fundamental differences with IFRS and therefore financial statements prepared under IND AS may be substantially different from financial statements prepared under IFRS. We cannot assure you that our financial condition, results of operations, cash flow or changes in shareholders’ equity will not appear materially different under IND AS from that under Indian GAAP or IFRS. As we adopt IND AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. We cannot assure you that our adoption of IND AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND AS in accordance with the prescribed timelines may materially and adversely affect our financial position and results of operations.

63. ***Our businesses and related activities may be regulated by the Competition Act, 2002 (the “Competition Act”) and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition and results of operations.***

The Competition Act seeks to prevent business practices that have or are likely to have an appreciable adverse effect on competition in India and has established the Competition Commission of India (the “CCI”). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement which, directly or indirectly, determines purchase or sale prices, limits or controls the production, supply or distribution of goods and services, or shares a market by way of geographical area or number of customers is presumed to have an appreciable adverse effect on competition. Provisions of the Competition Act relating to the regulation of certain acquisitions, mergers or amalgamations, which have a material adverse effect on competition and regulations with respect to notification requirements for such combinations, came into force on June 1, 2011. The effect of the Competition Act on the business environment in India is unclear and it is difficult to predict its impact on our growth and expansion strategies. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act or any enforcement proceedings initiated by the CCI or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, it may adversely affect our business, results of operations, financial condition or prospectus.

64. ***Statistical and financial data in this Offer Document may be incomplete or unreliable***

We have not independently verified data obtained from industry publications and other sources referred to in this Offer Document and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate in this Offer Document are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. In addition, internal company reports may be based on a number of variables and have not been verified by independent sources and may be incomplete or unreliable. Please refer to “**Industry Overview**” on page 82 of this Offer Document.



## MARKET PRICE INFORMATION

As of the date of this Offer Document, 213,158,694 Equity Shares have been issued and are fully paid up. The Equity Shares are listed on the BSE and the NSE. As the Equity Shares are actively traded on the BSE and the NSE, the stock market data has been given separately for each of these Stock Exchanges. The Equity Shares have been listed on the BSE and the NSE since February 1983 and June 7, 2000, respectively.

The table set forth below indicates the high and low prices of the Equity Shares and the volume of trading activity for the specified periods. The closing prices of the Equity Shares on the BSE and the NSE on May 3, 2013 were ₹53.05 and ₹53.05 per Equity Share, respectively.

The high, low and average market prices of the Equity Shares for the periods indicated are as below:

Year ending December 31,	Date of High	High (₹) <sup>(1)</sup>	BSE		Date of Low	Low (₹)	Volume on Date of Low (No. of Equity Shares)	Volume on Date of Low (In ₹ million)	Average (₹) <sup>(3)</sup>
			Volume on date of High (No. of Equity Shares) <sup>(2)</sup>	Volume on date of High (In ₹ million)					
2012	April 10, 2012	71.60	2,183,083	155.02	January 12, 2012	32.55	1,197,445	39.70	58.90
2011	January 3, 2011	63.10	204,670	12.89	December 29, 2011	33.20	24,055	0.80	48.05
2010	January 14, 2010	76.45	614,217	47.37	December 9, 2010	53.35	136,932	7.55	65.97

(Source: [www.bseindia.com](http://www.bseindia.com))

Year ending December 31,	Date of High	High (₹) <sup>(1)</sup>	NSE		Date of Low	Low (₹)	Volume on Date of Low (No. of Equity Shares)	Volume on Date of Low (In ₹ million)	Average (₹) <sup>(3)</sup>
			Volume on date of High (No. of Equity Shares) <sup>(2)</sup>	Volume on date of High (In ₹ million)					
2012	April 10, 2012	71.7	6,445,031	45.80	January 11, 2012	32.40	1,846,698	61.31	58.91
2011	January 3, 2011	63.30	367,396	23.13	December 29, 2011	33.15	56,799	1.90	48.06
2010	January 14, 2010	76.65	1,239,776	95.63	December 9, 2010	53.30	238,906	13.19	65.97

(Source: [www.nseindia.com](http://www.nseindia.com))

### Notes:

- (1) High, low and average prices are of the daily closing prices.
- (2) In case of two days with the same closing price, the date with the higher volume has been considered.
- (3) Average price represents the average of the daily closing prices of each day for each year presented.



Monthly high and low prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of this Offer Document:

Month	Date	High (₹) <sup>(1)</sup>	Volume (No. of Equity Shares) (2)	BSE		Low (₹)	Volume (No. of Equity Shares)	Volume on Date of Low (In ₹ million)	Average (₹) <sup>(3)</sup>
				Volume on date of High (In ₹ million)	Date				
April 2013	April 30, 2013	51.25	5,866	0.30	April 12, 2013	49.15	6,317	0.31	50.00
March 2013	March 19, 2013	52.00	21,715	1.11	March 5, 2013	49.10	8,727	0.43	50.14
February 2013	February 1, 2013	55.75	11,078	0.62	February 14, 2013	50.65	13,540	0.69	53.26
January 2013	January 9, 2013	60.70	181,880	11.15	January 31, 2013	55.10	5,530	0.31	58.11
December 2012	December 3, 2012	61.20	40,767	2.51	December 28, 2012	56.90	14,405	0.82	59.73
November 2012	November 20, 2012	64.10	219,440	13.81	November 19, 2012	59.05	6,078	0.36	60.70

(Source: [www.bseindia.com](http://www.bseindia.com))

Month	Date	High (₹) <sup>(1)</sup>	Volume (No. of Equity Shares) <sup>(2)</sup>	NSE		Low (₹)	Volume (No. of Equity Shares)	Volume on Date of Low (In ₹ million)	Average (₹) <sup>(3)</sup>
				Volume on date of High (In ₹ million)	Date				
April 2013	April 30, 2013	51.10	16,579	0.85	April 12, 2013	49.15	6,425	0.32	50.00
March 2013	March 19, 2013	52.00	92,336	4.75	March 5, 2013	48.80	23,032	1.13	50.13
February 2013	February 1, 2013	55.40	33,695	1.87	February 14, 2013	50.70	95,432	4.95	53.27
January 2013	January 9, 2013	60.65	353,515	21.68	January 31, 2013	55.05	28,362	1.57	58.13
December 2012	December 4, 2012	61.40	145,749	8.95	December 28, 2012	56.95	47,350	2.70	59.66
November 2012	November 20, 2012	63.95	450,411	28.35	November 19, 2012	59.00	19,623	1.16	60.70

(Source: [www.nseindia.com](http://www.nseindia.com))

**Note:**

1. High, low and average prices are of the daily closing prices.
2. In case of two days with the same closing price, the date with the higher volume has been considered.
3. Average Price represents the average of the daily closing prices of each day for each year presented.



Market price on February 6, 2013, the first working day following the Board Meeting approving the Issue was:

Date	BSE				NSE			
	Open	High	Low	Close	Open	High	Low	Close
February 6, 2013	55.5	58.1	54.55	55.25	54.65	58.45	54.65	55.05
Volume	73,837				269,077			

(Source: [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com))

Details of the volume of business transacted during the last six months on the Stock Exchanges:

Period	BSE (No. of Equity Shares)	NSE (No. of Equity Shares)
April 2013	142,232	397,622
March 2013	411,685	1,040,348
February 2013	269,218	1,430,800
January 2013	473,739	1,053,627
December 2012	387,931	976,308
November 2012	1,158,855	3,141,496

(Source: [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com))



## USE OF PROCEEDS

The total proceeds of the Issue will be approximately ₹1,839,308,921. After deducting fees and expenses of approximately ₹55,980,816, the net proceeds of the Issue will be approximately ₹1,783,328,105.

Subject to compliance with applicable laws and regulations, we intend to use the net proceeds of the Issue for strategic initiatives, such as strategic relationships and investments improving our leveraging strength by repayment of loans, for general corporate purposes, acquisitions, capital expenditure and working capital.

Subject to the supervision of the Audit Committee and the Board, as required under the provisions of the Equity Listing Agreement, the management of the Company will have flexibility in deploying the proceeds received by the Company from the Issue. Pending utilisation of the net proceeds of the Issue as described above, the Company intends to temporarily invest the funds in interest bearing instruments including deposits with banks and investments in mutual funds.



## CAPITALISATION STATEMENT

The following table sets forth the Company's capitalisation and total debt, on a consolidated basis, as of December 31, 2012 and as adjusted to give effect to the Issue. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our financial information contained in "*Financial Statements*".

(in ₹)

Particulars	As of December 31, 2012	As adjusted for the Issue
<b>Borrowings</b>		
Short Term Borrowings		
- Secured Borrowings*	10,310,157	10,310,157
- Unsecured Borrowings	1,837,665,493	1,837,665,493
Long Term Borrowings		
- Secured Borrowings	24,927,715	24,927,715
- Unsecured Borrowings	--	--
<b>Total Borrowings</b>	<b>1,872,903,365</b>	<b>1,872,903,365</b>
<b>Shareholders' Funds</b>		
- Share Capital	219,074,344	253,453,950**
- Reserves and Surplus	4,165,153,491	5,970,082,806***
<b>Total Shareholders' Funds</b>	<b>4,384,227,835</b>	<b>6,223,536,756</b>
<b>Total Capitalisation</b>	<b>6,257,131,200</b>	<b>8,096,440,121</b>

\*including current maturities of finance lease obligations reported as part of "Other Current Liabilities".

\*\*includes equity share capital with 247,538,300 equity shares having a face value of ₹1 each and 591,565 Preference Shares having face value of ₹10 each.

\*\*\*includes securities premium of ₹1,804,929,315 upon issue of 34,379,606 equity shares having a face value of ₹1 each.

Our Short Term Debt / Equity Ratio is 0.42 and our Long Term Debt / Equity Ratio is 0.01.

Our contingent liabilities on a consolidated basis, as at December 31, 2012, amounted to ₹2,569,596,569.

CRISIL has reaffirmed our long term rating of 'AA- /stable' and short term rating of 'A1+' for our Company's short term bank loan facilities. Furthermore, on April 15, 2013, our Company allotted, 1000 non-convertible debentures having face value of ₹1,000,000 each aggregating up to ₹1,000,000,000. Further, ICRA has assigned a long term rating of 'ICRA AA- / Stable' and CRISIL has assigned a long term rating of CRISIL AA- / stable outlook, to the non convertible debenture program.

### Notes:

Except as disclosed in the section titled Placement and Lock-Up, there will be no further issue of Equity Shares whether by way of public issue, issue of bonus shares, preferential allotment, rights issue, qualified institutions placement or in any other manner during the period commencing from the date of registering this Offer Document with the RoC until the Equity Shares offered in the Issue have been listed on the Stock Exchanges or the Application Amounts are refunded, on account of, *inter alia*, refusal of the listing of such Equity Shares by the Stock Exchanges.



## DIVIDENDS

Our Company does not have a formal dividend policy. Dividend amounts are determined from year to year in accordance with the Board's assessment of the Company's earnings, capital requirements, overall financial position and other factors prevailing at the time.

The dividend proposed by the Company in the last three Fiscal Years is as provided below:

	Financial Year 2012	Financial Year 2011	Financial Year 2010
Face value per Equity Share (₹)	1	1	1
Proposed Dividend (₹)*	79,934,510	79,502,761	79,427,887
Dividend per Equity Share (₹)	0.375	0.375	0.375
Dividend rate (% to paid up equity share capital)	37.5%	37.5%	37.5%
Face value per Preference Share (₹)	10	10	10
Proposed Dividend (₹)*	59	59	59
Dividend per Preference Share (₹)	0.0001	0.0001	0.0001
Dividend rate (% to paid up preference share capital)	0.001%	0.001%	0.001%

*\*excluding Dividend Distribution Tax*

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of the Company or for an investment in the Equity Shares offered in the Issue.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*References to the Summary Consolidated Financial Information as of and for the years ended December 31, 2012, 2011 and 2010, are to the consolidated balance sheet, consolidated statement of profit and loss and consolidated cash flows statement as of and for the years ended December 31, 2012, 2011 and 2010 presented in accordance with the format prescribed under the revised Schedule VI of the Companies Act pursuant to Notification S.O. 447(E) dated February 28, 2011 issued by the Ministry of Corporate Affairs, Government of India (the "Revised Schedule VI"). These Summary Consolidated Financial Information are disclosed in the section "Selected Financial Information" on page 29 of this Offer Document.*

*References to the Audited Consolidated Financial Statements, as of and for the year ended December 31, 2012, are to the audited consolidated financial statements for that year, presented in accordance with the Revised Schedule VI. References to the Audited Consolidated Financial Statements, as of and for the years ended December 31, 2011 and 2010, are to the audited consolidated financial statements for the respective years, presented in accordance with the then applicable pre-revised Schedule VI of the Companies Act. These Audited Consolidated Financial Statements, as of and for the years ended December 31, 2012, 2011 and 2010, are disclosed in the section "Financial Statements" on page 181 of this Offer Document.*

*The following discussion relates to our Company on a consolidated basis, and for the purposes of this section, the figures for the years ended December 31, 2011 and December 31, 2010 have been re-classified to conform to Revised Schedule VI and should be read in conjunction with the section "Selected Financial Information" and the Audited Consolidated Financial Statements, as of and for the years ended December 31, 2012, 2011 and 2010, along with the schedules and notes thereto.*

*The Audited Consolidated Financial Statements are prepared in accordance with the Companies Act and Indian GAAP and the section "Selected Financial Information" have been based on the Audited Consolidated Financial Statements. Indian GAAP differs in certain material respects from U.S. GAAP and IFRS.*

*For the purpose of this section, unless the context requires otherwise, references to "Fiscal Year 2012", "Fiscal Year 2011" and "Fiscal Year 2010" are to the financial year ended December 31 of the relevant year.*

*You are also advised to read the section titled 'Risk Factors' beginning on page 34 of this Offer Document, which discusses a number of factors and contingencies that could impact our financial condition and result of operations and cash flows.*

### Industry Overview

#### Worldwide Travel and Tourism Industry

The Travel & Tourism industry, represents a wide spectrum of global economic activity spanning countries across the world and include not just large commercial hubs & capital cities, but also smaller towns and villages as well as remote rural destinations. It is one of the world's largest industries or economic sectors, representing a major contributor to GDP, employment, exports and taxes for many global economies.

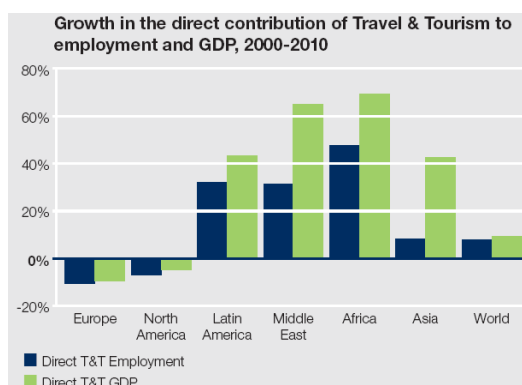
In 2011, the Travel and Tourism Industry contributed over US\$ 6 trillion to the global economy, or 9% of global gross domestic product (GDP) and accounted for 255 million jobs worldwide. The rapid rise in global demand for Travel & Tourism over the past few decades has been spurred by the rise in living standards across the world, fuelled by growing wealth and aspirations and aided by increasing global commerce, trade and connectivity across nations and their peoples.

In the Asia Pacific region specifically, the direct contribution of Travel & Tourism to the region's GDP in 2012 was USD 614 billion (2.7% of GDP) and is forecast to rise by 5.2% to USD 646 billion in 2013. India and China are expected to emerge as two of the leading tourism markets in next 10 years. (Source: World Travel & Tourism Council)

### Travel & Tourism's Direct Contribution to GDP

Country	2010 US\$ billion	2022E US\$ billion	CAGR %
China	156	850	15%
India	31	103	11%
US	407	755	5%
UK	51	108	6%
Australia	31	54	5%

(Source: World Travel & Tourism Council)



(Source: World Travel & Tourism Council)

### Economies to Watch

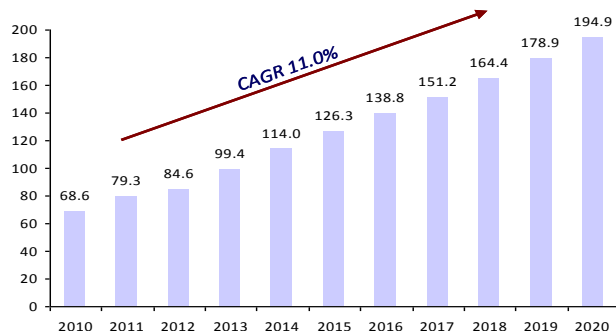
Over the next ten years, emerging tourism markets are expected to start reaping greater benefits from their investments in Travel & Tourism development. While the USA, China, Japan and Germany are expected to retain their leading positions in terms of total Travel & Tourism Demand (in absolute terms), China and India are expected to be amongst the leaders in terms of annual growth in Travel & Tourism between 2010 and 2022, with a CAGR of 15% and 11% respectively in terms of Travel & Tourism's Direct Contribution to GDP.

### The Indian Travel and Tourism Industry

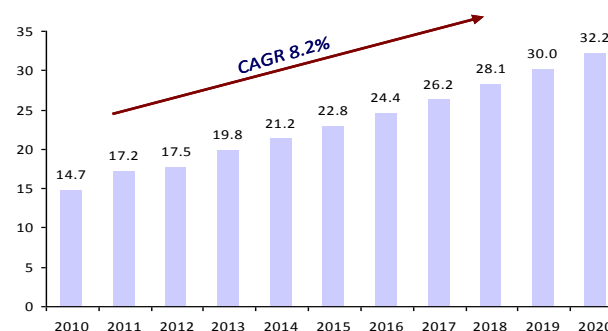
India represents an attractive market for both inbound tourism and outbound tourism. On the inbound side, a recorded 5,000 year history, rich cultural heritage of art and architecture, natural beauty, diversity of religions, culture, food and customs as well as alternative medicine etc., fascinate budget and luxury travelers alike.

Tourism in India has registered significant growth in the recent years. The domestic travel & tourism spending has grown from USD 31.9 billion in 2000 to USD 79.31 billion in 2010, registering a CAGR of 8.0%. The visitor export has grown from USD 3.6 billion in 2000 to USD 14.7 billion in 2010, registering a CAGR of 15.1%. The domestic travel & tourism spending and the visitor export are expected to register CAGR of 11.0% and 8.2% respectively, over the period 2010 – 2020.

India - Domestic Travel & Tourism Spending



India - Visitor Exports in US\$ Bn



(Source: World Travel & Tourism Council)

With rising incomes, growing aspirations and increasing globalization the Indian traveller is travelling both within India and abroad for leisure, more than ever before. A growing airline, train and bus network, increased competition, cheaper fares and improvement in travel related infrastructure such as airports, stations, roads and hotels have all contributed to this. The Tourism sector also holds immense potential for the growth and development of the Indian economy. It can



provide an impetus to other industries through both backward and forward linkages and can contribute significantly towards growing the country's GDP. The direct contribution of Travel & Tourism to GDP in 2011 was INR1,689.8 billion (1.9% of GDP), which is expected to grow by 7.7% p.a. to INR 3,805.2 billion (1.9% of GDP) by 2022.

### Contribution of Travel & Tourism in GDP & Employment in 2011

In USD billion	India 2011	World average 2011
Direct Contribution to GDP	35.8	2011.5
Domestic travel & tourism spending	79.3	2876.4
Capital Investment	33.1	750.7

(Source: World Travel & Tourism Council)

### Business Overview

Our businesses can be broadly categorized as travel and travel related services and foreign exchange services..

We believe that we are one of the leading integrated travel and travel related services companies in India, with a presence throughout the value chain of the travel and tourism industry. Within travel related services, we have five sub-segments i.e. outbound travel, inbound travel, domestic travel, MICE and corporate travel management. We provide end-to-end travel solutions including land, air and cruise bookings, hotel bookings, in-transit arrangements, local sightseeing, visa, passport and medical insurance assistance and such other destination management services. We also provide value added services viz., customizing travel plans, travel arrangements for trade fairs, providing private air charter services, etc.

Our outbound and domestic travel businesses include selling holiday packages for travel overseas and in India respectively. Our inbound travel business represents destination management services, specializing in design and implementation of events, activities, tours, transportation and program logistics to tour operators across globe for tourists traveling to India. We design travel packages for both individuals and groups for their domestic as well as international leisure travel. As a part of our MICE services, we make travel arrangements for corporate clients to cater to their business meetings, conferences and events and as an incentive for their employees and business partners. We have a team of dedicated relationship managers for our corporate travel category to manage the diverse travel and foreign exchange needs of our corporate clients.

We believe that our Company is one of the largest bank note consolidators in the country which comprises of bulk sale/purchase from banks/ FFMC's / RMC's. We also offer travel related foreign exchange and payment solutions like currency exchange, money transfer, remittance, travellers' cheques, pay order, wire-transfers, pre-paid foreign exchange cards and borderless multicurrency prepaid foreign exchange cards, currency buying and selling services to institutions such as banks, FFMC's and RMC's in accordance with Category II Authorised Dealer license granted by the RBI to our Company. We believe that we are one of the first non-banking companies in India to launch a multi-currency foreign exchange prepaid card.

As of March 31, 2013 our Company is present in over 250 locations (including 24 airport counters in India) supported by a partner network of 131 Gold Circle Partners and 165 preferred sales agents in over 150 cities across India.

We have a global presence with operations in countries besides India through our Subsidiaries, branch offices and representatives. We have Subsidiaries in India, Sri Lanka and Mauritius, branch offices in 5 countries and representatives in 5 countries. For further details on our Subsidiaries, please refer to the section on "Our Business" on page 90 of this Offer Document.

For the Fiscal Years ended 2012 and 2011, our consolidated total revenue was ₹4,405,060,686 and ₹4,105,368,292 respectively, and our consolidated profit after tax for the Fiscal Years 2012 and 2011 were ₹504,357,833 and ₹562,396,264 respectively.



We operate from India, Mauritius and Sri Lanka and operate in mainly six key verticals:

- **Travel Related Services:** Services which primarily includes:
  - Outbound travel – we provide outbound travel services through multiple channels to customers traveling to foreign countries from India;
  - Inbound travel – we provide inbound travel services to tourists/ travellers coming to India from foreign countries and mainly operate via two brands: “TCI” and “Thomas Cook”;
  - Meetings, Incentives, Conferences and Events - one stop shop for all types of corporate events;
  - Corporate travel – we provide tailor made solutions for large, medium and small enterprises to ensure maximum return on the travel investment of such corporates.
  - Domestic travel – we provide a gamut of services to nationals traveling within the country;
- **Foreign Exchange Services:** We are a licensed Category II Authorized Dealer, allowed to operate certain businesses by the Reserve Bank of India for *inter alia* (i) retail purchases of foreign currencies and travellers’ cheques; (ii) bulk purchases/ sales of foreign currencies from/ to authorized dealers, money changers and franchisees; (iii) release/ remittance of foreign exchange for certain specified activities; (iv) encashment of mail/ telegraphic transfers, demand drafts and other instruments drawn on our Company; (v) collection of foreign currency instruments drawn on banks abroad; (vi) Indian rupee/ foreign currency advances against credit cards; (vii) maintenance of foreign currency accounts with banks abroad and undertaking forex cover operations in India and abroad, focusing on providing travel related foreign exchange and payment solutions to all our customers. For further details on the details of the Authorised Dealer Category II license granted by the RBI to our Company, please refer to the section "**Our Business**" on page 90 of this Offer Document.

We operate from India, Mauritius and Sri Lanka and operate in mainly the following segments:

- Wholesale – This segment comprises providing currency buying and selling services to institutions like banks (both public and private sector), FFMCs, RMCs etc.
- Retail – This segment relates to providing foreign exchange services to travellers visiting India or going out of India.
- Airport – We provide foreign exchange services at airport counters with respect to which we have tied up with airports at Mumbai, Bangalore, Delhi, Cochin and Trivandrum, Mauritius and Sri Lanka.
- Corporate – This segment includes providing travel related and forex services to employees of corporates.
- **E- Business:** Our Company, through its online portal [www.thomascook.in](http://www.thomascook.in), offers a complete range of travel and travel related solutions to its customers. This includes a wide array of product options ranging from domestic as well as international destinations, worldwide network of hotels, airlines, travel insurance and promotional schemes. Further, our customers can also purchase foreign exchange via this online portal.
- **Insurance Services:** Our insurance business, which focuses on travel insurance, is carried out through TCISIL. TCISIL entered into insurance distribution in 2002 and is a corporate agent of Bajaj Allianz General Insurance Company Limited.
- **Visa and Passport Services:** The travel related services provided by our Company includes visa and passport related services through content site providing detailed information. This is open to internal and external customers with an online system tracker to trace various stages of documentation process and tie-ups with attorneys to service long term immigration visas/ work permits for corporates.
- **Centre of Learning:** Our Company has initiated a concept of ‘Centre of Learning’, the primary purpose of which is to



develop talent for the organization as well as for the industry. For this purpose, our Company has tie ups with various knowledge partners which are mainly hotels and tourism boards. In 2012, the Center of Learning was certified as '2012 Top 10 South Asia IATA Authorised Training Center' by IATA Canada.

For more details please refer to pages 82 and 90 relating to “**Industry Overview**” and “**Our Business**” of this Offer Document.

### **Significant Factors Affecting Our Results of Operations**

Our business is subject to various risks and uncertainties, including those discussed in the section titled “**Risk Factors**” beginning on page 34 of this Offer Document. Some of the important factors that have affected, and we expect will continue to affect, our results of operations, financial condition and cash flows, are discussed in this section:-

#### ***Factors affecting our Travel and Related Services***

##### *Leisure Travel (outbound)*

We have expanded our distribution network by opening several new stores and appointing new franchisees across the country and launched an array of new products to meet a wide range of customer needs. These new products are targeted at new customer segments and also offer customer friendly options such as Marathi/ Gujarati/ Jain/ South Indian tours. We need to market our outbound tours and outbound travel related services to increase awareness and generate business, resulting in significant marketing and advertising costs.

Devaluing of INR has resulted in the outbound traveller spending more INR to get the foreign currency of the destination. Further rising fuel costs has resulted in higher airline ticket prices while inflation has resulted in higher operating costs. These factors clubbed together have made outbound travel more expensive than it used to be and travellers have reduced the frequency of outbound travel. This has tempered the high growth rate of the outbound tourism industry. Despite these factors affecting our Company's outbound business, the business continues to grow.

##### *Leisure Travel (inbound and domestic)*

Inbound tourism market has expanded due to efforts of the central and state governments to promote tourist attractions in India. The weakening of INR has also made traveling to India more attractive. However, inbound tourism has been impacted by poor awareness, and, therefore, inbound travellers are only aware of the prominent tourist destinations in India. Besides major inbound tourists attractions many potential tourist attractions suffer from poor infrastructure. Despite recessionary conditions in some source markets, the growth in demand for inbound holidays has remained stable over the recent years.

Continued negotiation with service providers has helped our company protect margins. The increase in total ticketed volume for the combined travel businesses enables us by increasing our bargaining power with service providers to offer competitive products/prices. Costs are kept under a tight control, along with several initiatives to increase productivity. To improve efficiency and promote growth, our Company restructured the inbound sales & operations team.

##### *Corporate Travel*

We cater to the travel requirements of several large national and multinational companies. Based on their requirements and volumes of business, our corporate clients are serviced either by having an expert travel consultant with access to centralised reservation system at their office or a dedicated relationship team. Due to rising airfares, corporate clients have become more cost conscious with their travel expenditure as well as the class of travel being utilized. Improved electronic communications has reduced the need to travel frequently.

We provide credit facilities to our corporate clients; however delayed payments from clients coupled with IATA's



reduction of payment clearance period from 30 days to 15 days for full service airlines and advance payments for low cost airlines, has adversely affected our business and results of operations. Further, competition in this sector has resulted in local service providers quoting aggressively by reducing their revenue margins.

However the increased airfares have resulted in balanced revenue earnings and our Company has streamlined the corporate sales & operations team for improved efficiency.

#### *Meetings Incentives Conferences and Events (MICE)*

MICE offers a potential for high revenue earnings but corporate clients have reduced MICE related activities due to rising airline fares, hotel fares etc., which has caused a significant overall increase in cost of these activities. Competition in this sector and budget constraints have limited the destination options. Despite these challenges, our Company has witnessed an overall growth in MICE revenue by tapping new markets and serving new clients.

#### *Visa and Passport*

Apart from catering to the Travel businesses of our Company, we have added direct external customers for their visa, passport and ancillary services. Additionally, our Company has tied up with attorneys to service the long-term immigration visas/work permits required by our corporate clients for their projects abroad to move their resources to these countries.

There is a comprehensive visa related content website developed by us, which is available to our internal businesses and outside travellers for visa information. The travellers who use our Company's visa services can also use the online tracker their documents through the various stages of visa processing. The business is poised for further growth in view of increase in Indians with high disposable incomes travelling overseas on holidays. The business continues to face challenges and risks in the form of biometrics being introduced by some of the consulates which restricts the use of intermediaries. This is an unorganised business with competition from many large and small players adding pressure to margins.

#### *Insurance*

Insurance business is carried out through our 100% Subsidiary – TCISIL. TCISIL entered into insurance distribution in 2002 and is a corporate agent of Bajaj Allianz General Insurance Company Limited. TCISIL is engaged in providing a wide range of travel insurance products cross selling to our travel and forex customers. With growing number of outbound travellers our insurance business has maintained steady growth and is poised to grow.

#### *Centre of Learning*

In the context of growth, increasing customer expectations and a competitive environment, talent management has become a critical challenge of the Tourism & Travel Industry. Our foray into Tourism Education with “**Centre of Learning**” is hence another innovative and key initiative to develop talent for not merely the organisation, but rather the Industry as a whole. The center has a well equipped 15 seater Computer Lab and 2 classrooms of 30 student capacity with all the latest multimedia facilities. Hence, the primary objective of Centre of Learning is to proactively facilitate talent management and to grow, harness and nurture the skill sets in the Tourism & Travel Industry with education programs like: Certificate Course in World Tour Management, Domestic Certificate course in ‘My India My Way, IATA/ UFTAA – Foundation/ Consultant Course, Travel Professional Program, PGDM in international business.

#### *Factors affecting our Foreign Exchange Business*

##### *Wholesale Foreign Exchange*

Our Company is one of the largest exporters in the world for currency notes. It also imports currency notes to fulfill the



demand for certain South East Asian currencies in the country. It handles majority of India's foreign currency bank notes. Our foreign exchange business including wholesale, retail, airport and corporate foreign exchange businesses, has one of the largest distribution networks of 187 locations in 89 cities amongst the forex players in India.

Global sentiments due to the European economic crisis and the subsequent pulling back of Foreign Institutional investors inflows coupled with the economic challenges on the domestic front led to the weakening of Rupee. During this period various forex players witnessed a surge in the currency purchase and consequently bulk volumes increased due to INR weakening. This caused a heavy competition in the market and reduced the margins for the forex transactions. Even the operating costs in collecting forex and getting to metros is high, thus affecting our profitability in the forex transactions. We have an authorized dealer category - II license from RBI and also have nostro accounts with an in-house dealing room to hedge our exposure in the foreign currency on real time basis. The advantage of in-house dealing room is that the time gap between each periodic hedge is minimised and also saves our additional operational costs.

#### *Retail and Airport Foreign Exchange*

Forex market in India is a regulated market and volumes are closely tied to the Dollar-Rupee exchange rate. We believe we are one of the leading companies in forex and offer various services like currency exchange, money transfer, remittance, travellers' cheques, pay orders, wire transfers and pre-paid cards. We cater to forex needs across various segments of customers such as business travellers, leisure outbound travellers, travellers for migration, employment and medical treatment, students travelling abroad for studies, inbound tourists, persons who want to remit money overseas for maintenance of family and relatives residing abroad, banks, non-bank retailers and money changers. We incur high cost on the infrastructure for foreign exchange counters on the airports due to fees charged by the maintenance companies and AAI. These costs add to our operational costs to our foreign exchange business. This business also comes with the inherent risk of high inventory costs as each counter has to be loaded with foreign exchange or INR as per the needs of the customer.

Our Company took various initiatives towards network expansion, investment in marketing and visibility of products offered, product innovations, acquiring new corporate customers etc. To amuse the customers, our Company took various initiatives on improving customer service and training the employees on various skills. Our Company continued its focus on margin and cost management during the year.

The Company focuses on the retail side of the business where demand is relatively unaffected to the foreign exchange rate fluctuation. Product innovation, network expansion, acquisition of new customers, investment for higher visibility of products offered, increasing the distribution channels, efficiency improvement, cost reduction etc. are some of the key initiatives of the Company.

#### *Corporate Foreign Exchange*

There was a rise in demand of foreign exchange by corporates but they remained cautious due to the challenging economic environment both in India, Europe and USA markets. This segment has high competition as all the financial institutions are in this segment as well. Students, who travel to UK and Australia for higher studies witnessed a reduction due to stringent visa norms as well as racial attacks. IT sector companies have also reduced sending employees to work abroad due to the economic turmoil, which has reduced transferring of allowances by these companies to its employees. Corporate clients usually like to have a credit account with us for their forex requirements.

Volatility in exchange rate, increasingly stringent compliance requirements, dearth of skilled manpower, rising inflation, adverse economic conditions are some key external factors that could impact the business adversely. However, the Company is exploring every possible avenue to mitigate these risks.

#### *Factors affecting our E-Business*

Online travel industry in India is continuing to grow at leaps and bounds. With the increasing awareness of internet and



the convenience it offers, a large number of consumers are adopting the online medium for research as well as purchase of travel & travel related services. This channel continues to be a focus area for growth for our Company and we are investing on building our online capabilities. We have introduced our domestic hotels & holidays products for sale on our website, which we believe received a good response. We also provide an online self booking solution to Small & Medium Enterprises (SMEs). We have seen significant growth in this business in the last one year (around 80% year-on-year) and expect this growth to further increase as we make inroads into this segment.

### ***Other significant factors***

#### *Fluctuations in Exchange Rates*

Fluctuations in exchange rates have direct impact on our travel business. Strengthening of rupee may increase the number of outbound tourists from India as foreign tours will become relatively cheaper. However, at the same time it may affect inbound tourism as traveling to India would become relatively expensive. As regards our forex business, we hedge all our payments / receipts through a dealing room that has been authorised by the RBI. There is no exchange risk as we hedge our currency risk in all areas.

#### *General Economic and Business Conditions*

The growth rate in India's Gross Domestic Product (GDP) was 6.21% during 2011-12 at factor cost (*Source: Planning Commission*). The tourism sector has been one of the key contributors in the contribution of the services sector to the GDP of 2011-12. Discovering the potential of tourism industry's contribution towards the country's GDP, the Indian government has encouraged several government initiatives towards this sector, which we believe will have a significant impact on our business.

#### *Growth in Tourism*

Tourism industry has seen a significant growth in past few years facilitated by competitive fares and improvement in the travel related infrastructure. There has been a significant increase in the domestic and outbound tourism of India. It can provide impetus to other industries through backward and forward linkages and can contribute significantly towards the country's GDP.

The demand for our services has been significantly impacted by, among others, the rising income levels, increasing globalization, improvement in travel related infrastructure, overall economic growth and government initiatives in promoting domestic tourism. The last few years has seen a steady growth in the tourism sector in India.

India has a population of over 1 billion people and a large part of the population is comprised of middle income consumers. Owing to strong GDP growth over the years, Indian consumers benefited from increases in their level of disposable income, which in relation to travel and tourism benefited middle-income consumers the most, as it has enabled them to travel more frequently and to spend more on travel. Besides, demand for both domestic trips and outbound travel is expected to increase strongly due to affordability and changing attitudes among Indian consumers as they become more willing to spend a higher portion of their disposable income on 'premium' travel products. This is also expected to prompt further change in the type of travel products and destinations that travellers demand. As Indian consumers become more demanding and more discerning about the travel products that they purchase, we will need to provide superior information; products and services in order to appeal to them and this will create a need for more creative and affordable packages.

#### *Competition*

Travel and forex services business in India is highly fragmented with presence of many regional, local and unorganized sector players. We believe that there is no single player of comparable size who can offer a wide range of services as offered by our Company. However, there are different players that compete with us in various market segments. With our



vast experience and capabilities to retain our customers due to our personalized services and competitive prices, and providing complete holiday solutions under a single roof, we believe that we are confident of facing competition.

#### *Brand Image*

The recognition and acceptance of our brand has significantly contributed to the success of our business. Our business is significantly dependent on the continued establishment and promotion of our brands through which we offer our service offerings. Promoting and positioning our branded products largely depends on the success of our marketing and merchandising efforts and our ability to provide a consistent, high-quality customer experience. If we are unable to respond in a timely and appropriate manner to changing consumer demand, our brand name and brand image may be impaired.

#### *Pricing Pressures*

The Company is operating in a highly competitive environment and has to compete with national and international level established players of remarkable reputation.

Furthermore, the increasing penetration of the internet coupled with online payment solutions, has given rise to 'disintermediation', whereby service providers, i.e. airline companies / hotels, etc. enter into direct dealings with a prospective customer as opposed to dealing with us for delivering these services. Increased levels of disintermediation could impact our business model of providing ticketing solutions and also our travel and tour packages. While our Company evolves tour packages and acts as one stop shop, such factors always create a constant pressure to correctly price the services of our Company in such a competitive market.

#### *Ability to expand our international operations*

As we compete with both local and international players in each of the geographies we operate in, we need to continuously expand our operations and meet the challenges of competition by several ways including:

- a. Entering into long term alliances with service providers and leading tour operators.
- b. Strengthening our marketing initiatives and expanding the customer base.
- c. Acquisition within industry to provide significant synergies and economies of scale.

#### *Ability to grow our number of new customers and increase sales to existing customers*

Our revenues are dependent on growth of new customers and increase in sales to existing customers. We believe that our track record of timely delivery and quality of service has allowed us to establish long and stable relationships with several of our large customers, and we have achieved revenue growth from increased sales to our customers. We seek to leverage our long term relationships with our existing customers to gain new customers. We also aim to be identified as a strategic vendor for our existing and future customers and accordingly, may have to incur additional costs. We also enter into competitive pricing structures with our new customers in the initial stages of our relationship to establish the rapport and may continue to do so in the future.

#### *Other Factors*

Our Company is in the tourism and related businesses, where there is direct interaction with the end user. Our business requires us to provide personalized services to each individual client. The client's need depends on various factors such as their age group, the socio-economic condition of their respective country, their religion, their interest, their profession etc.



## Summary of Significant Accounting Policies

### *Basis of Preparation*

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) and other relevant provisions of the Companies Act.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve (12) months for the purpose of current and non-current classification of assets and liabilities.

### *Fixed Assets (Tangible and Intangible) and Depreciation/Amortisation*

#### i. Tangible Assets

Tangible Assets are stated at the purchase price of acquisition of such fixed assets including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates determined based on the useful lives of the assets as estimated by the management, whichever is higher. The rates adopted for depreciation determined on the basis of useful lives of fixed assets are as follows:

Description of Tangible Asset	Rate of Depreciation
Computers	25%
Office Equipment - VSAT and Communication Router	10%
Vehicles	15%
Leasehold Improvements are amortised over the period of the lease.	
Fixed assets costing ₹5,000 or less are fully depreciated in the year of acquisition.	

#### ii. Intangible Assets

Intangible Assets are stated at the purchase price of acquisition of such fixed assets including any attributable cost for bringing the asset to its working condition for its intended use less accumulated amortisation and accumulated impairment losses, if any. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Intangible assets are amortised at rates specified in Schedule XIV of the Act or the rates determined based on the useful lives of the assets as determined by the management, whichever are higher. Depreciation is provided on Straight Line Method. The rates adopted for depreciation determined on the basis of useful life is as follows:



Description of Intangible Asset	Rate of Amortisation
Software (including software - internally generated/developed)	25%

### ***Foreign Currency Transactions***

- i. All the monetary items denominated in foreign currency are valued at the Foreign Exchange Dealers Association of India (FEDAI) rate (except for Sri Lanka Subsidiary) and the exchange variations arising out of settlement/conversion at the FEDAI rate are recognised in the Statement of Profit and Loss. Monetary items of Sri Lanka Branch/Subsidiary are valued at closing rates obtained from Central Bank of Sri Lanka, as the daily buying and selling rates are set on rates obtained from them. Profit or loss on purchase and sale of foreign exchange by the Company in its capacity as Authorised Foreign Exchange Dealer are accounted as a part of the revenue. In case of foreign exchange business at Mauritius Subsidiaries, foreign currency transactions are stated at the rate of exchange prevailing at the time of accounting such transactions and exchange variations are dealt within the Statement of Profit and Loss. Current assets and liabilities at the year end are converted at closing rates and exchange variations are recognised in the Statement of Profit and Loss.

- ii. Foreign Branch

Monetary assets and liabilities are translated at the closing exchange rates. Non monetary assets are translated at the exchange rates prevailing on the date of the transaction. Revenue items except depreciation are translated at average rate. Depreciation is translated at the rates used for the translation of respective fixed assets.

- iii. Foreign Subsidiaries

All assets and liabilities are translated at closing exchange rate. Revenue items are translated at average exchange rate. Exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".

### ***Investments***

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

### ***Employee Benefits***

- i. Long term employee benefit

- a. Defined Contribution Plans

The Company has Defined Contribution Plan for Post Employment Benefit in the form of Superannuation scheme. Contributions to Superannuation scheme are charged to the Statement of Profit and Loss as incurred. The contribution to Superannuation scheme are based on the premium contribution called for by Life Insurance Corporation of India (LIC) with whom the Company has entered into an arrangement for its Indian operations.

The Company has Defined Contribution Plans for Post Employment Benefits in the form of Provident Fund. Contributions to Defined Contribution schemes such as Provident Fund, etc. are charged to the Statement of Profit and Loss as incurred. The contributions are made to a government administered Provident Fund towards which the Company has no further obligations beyond its monthly contributions.



b. Defined Benefit Plans

The Company has Defined Benefit Plan for Post Employment Benefit in the form of Gratuity. Contribution to gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the company has entered into an arrangement for its Indian operations. Any short fall based on independent actuarial valuation is accounted for in the relevant period.

In respect of certain employees, the Company has Defined Benefit Plan for Other Long-term Employee Benefit in the form of Provident Fund. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Any short fall/excess based on independent actuarial valuation is accounted for in the relevant period.

ii. Short- term Employee Benefits

As per the leave Policy of the Company, employees are entitled to avail thirty (30) days of leave during a year. Any carry forward or encashment of the same is not allowed and all unutilised leaves necessarily lapse at the end of the year.

iii. Employee benefits of Sri Lanka branch/Subsidiary and Mauritius companies are provided for on the basis of the local laws.

***Employees Stock Option Schemes***

Stock options granted to the employees under the stock option schemes established after June 19, 1999 are evaluated as per the accounting treatment prescribed by the Employees Stock Option Scheme and Employees Stock Purchase Scheme Guidelines, 1999 as amended from time to time, issued by the Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognised as deferred employee compensation and is charged to Statement of Profit and Loss on graded vesting period of the options.

***Revenue from Operations***

Revenue comprises of travellers cheques commissions and margins on foreign exchange transactions in the ordinary course of business as authorised dealers, net commissions earned on travel management, service agency charges including profit or loss in respect of tour and card product activities. In line with established market practice, the income arising from the buying and selling of foreign currencies (net of brokerages paid) is included on the basis of margins achieved, since inclusion on the basis of their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.

***Revenue Recognition***

Commission on tickets and service charges from customers are recognised on issue of the tickets. Incentives from airlines are accounted on the basis of tickets issued to sectors travelled. Revenue on foreign exchange transactions is recognised at the time of purchase and sale. Revenue on holiday packages is recognised on proportionate basis considering the actual number of days completed as at the year end to the total number of days for each tour. In case of Insurance business, commission on insurance policies sold is recognised on the effective commencement of the policies. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the right to receive dividend is established. Revenue from other income is accounted for on accrual basis.



### ***Leases***

Assets acquired under finance lease arrangements are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit and Loss.

### ***Taxes on Income***

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

### ***Impairment of Assets***

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount an impairment loss is recognised in the Statement of Profit and Loss to the extent carrying amount exceeds recoverable amount.

### ***Provision and Contingent Liabilities***

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. Where there is possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### ***Earnings Per Share***

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### ***Cash and Cash Equivalents***

In the Cash Flow Statement, Cash and Cash Equivalents include Cash on Hand, Cheques on Hand, Remittances in Transit, Balances with Bank held in Current Account and Demand Deposits with maturities of three months or less.

### ***Use of Estimates***

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that



the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

### ***Segment Reporting***

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under “Common Expenses”.

### **Discussion on Results of Operations**

#### ***Income***

##### ***Revenue from Operations***

Our Revenue from operations consists mainly of travellers cheques commissions and margins on foreign exchange transactions in the ordinary course of business as authorized dealers, net commissions earned on travel management, service agency charges including profit or loss in respect of tour and card product activities. Likewise income from buying and selling of foreign currencies is accounted on net basis i.e. on the basis of commissions/ margins earned.

Commission on tickets and service charges from customers are recognized on issue of tickets. Incentives from airlines are accounted on the basis of tickets issued to sectors travelled. Revenue on foreign exchange transactions is recognized at the time of sale and purchase. Revenue on holiday packages is recognized on proportionate basis considering the actual number of days completed as at the year end to the total number of days for each tour. In case of insurance business commission on insurance policies sold is recognized on the effective commencement of policies. Credit card product sales are recognized on delivery of the card to the customers.

Further revenue from operations includes education & training income and liabilities are no longer required to be written back.

For details on our travel and related services and foreign exchange services please see ‘***Our Business***’ on page 90 of this Offer Document.

##### ***Other Income***

Other income includes dividend on investments, rent, profit on sale of fixed assets (net), gains arising from exchange variations other than in the normal course of business as foreign exchange authorized dealers, recovery of expenses, interest on deposits with banks, interest on income-tax refund and others. The revenue from other income is accounted on accrual basis.

#### ***Expenditure***

**We account for our expenses under the following heads:**

##### ***Employee Benefit Expenses***

Payment to employees and provision for employee benefit expenses consists of salaries, wages, bonuses, allowances, incentives paid to staff, expenses in relation to issue of shares under ESOP and TCIL SAYE schemes, contribution to staff provident funds and other staff welfare expenses like gratuity and leave encashment, staff training, recruitment costs and commission to directors.



### *Finance Costs*

Finance Costs relate to interest on borrowings and other finance charges including currency swap charges, bank guarantee commissions and bank charges.

### *Depreciation and Amortisation Expenses*

Depreciation/amortisation on fixed assets is provided at the rates specified in Schedule XIV of the Companies Act or the rates determined based on the useful lives of the assets as estimated by the management, whichever is higher. Depreciation/amortisation is provided on Straight Line Method. The rates adopted for depreciation/amortisation determined on the basis of useful lives of fixed assets are as follows:

<b>Description of Asset</b>	<b>Rate of Depreciation</b>
Software (including software - internally generated/developed)	25.0%
Computers	25.0%
Office Equipment	10.0%
Vehicles	15.0%

Fixed assets costing ₹5,000 or less are fully depreciated in the year of acquisition  
Leasehold Improvements are amortised over the period of the lease.

### *Other Expenses*

Other Expenses relate to expenses including, among other things, rent, rates and taxes, repairs and maintenance, electricity expenses, postage, telegrams and telephones, freight currency shipment, auditors remuneration, directors' sitting fees, security services, vehicle running and maintenance, license fees, bad debts and advances written off, provision for doubtful debts and advances (net), provision for diminution in the value of long term investment, donations, insurance, courier expenses, printing & stationery, legal & professional charges, travelling & conveyance, advertisement, publicity and business promotion, computer expenses, security expenses, loss on disposal of fixed assets (net), losses arising from exchange variations other than in the ordinary course of business as foreign exchange authorized dealers and other miscellaneous expenses.

### *Advertisement Expenses*

Advertisement expenses relate to expenses for marketing & advertisements in print & electronic media, cost of brochures & souvenirs, business promotion and public relation expenses

### **Summary of Results of Operations:**

We will discuss our Results of Operations on a consolidated basis and thus, we set forth below a table showing comparative analysis of our consolidated Revenues, Expenses, Profit Before Tax and Profit After Tax for the Fiscals 2010, 2011 and 2012:

*All the figures discussed below are in Rupees and are on consolidated basis unless specified otherwise. All the percentages given below have been rounded off for the purpose of discussion.*



Particulars	For the year ended December 31, 2012	For the year ended December 31, 2011	For the year ended December 31, 2010
<b>Revenue</b>			
Revenue from Operations	4,301,918,911	3,918,214,254	3,174,300,097
Other Income	103,141,775	187,154,038	235,889,478
<b>Total Revenue</b>	<b>4,405,060,686</b>	<b>4,105,368,292</b>	<b>3,410,189,575</b>
<b>Expenses</b>			
Employee Benefit Expenses	1,755,453,821	1,540,084,836	1,294,759,101
Finance Costs	310,093,031	307,830,903	221,905,423
Depreciation and Amortisation Expenses	141,798,385	139,350,757	135,041,975
Other Expenses	1,192,597,609	1,111,962,516	916,195,804
Advertisement Expenses	234,275,775	199,694,953	206,019,708
<b>Total Expenses</b>	<b>3,634,218,621</b>	<b>3,298,923,965</b>	<b>2,773,922,011</b>
<b>Profit Before Tax and Exceptional Item</b>	<b>770,842,065</b>	<b>806,444,327</b>	<b>636,267,564</b>
Exceptional Item	-	-	100,000,000
<b>Profit Before Tax</b>	<b>770,842,065</b>	<b>806,444,327</b>	<b>736,267,564</b>
Tax Expense			
Current Tax	263,591,020	271,505,660	242,365,360
Less - MAT Entitlement Credit	(6,892,554)	(997,041)	(24,870,115)
Deferred Tax	9,785,766	(26,460,556)	47,162,698
<b>Total Tax</b>	<b>266,484,232</b>	<b>244,048,063</b>	<b>264,657,943</b>
<b>Profit After Tax</b>	<b>504,357,833</b>	<b>562,396,264</b>	<b>471,609,621</b>
<b>Earning per Equity Share</b>			
Basic (Face value of Re. 1 each)	2.37	2.65	2.23
Diluted (Face value of Re. 1 each)	2.31	2.58	2.17

**Comparison of Performance and Analysis of Developments for the financial year ended December 31, 2012 with financial year ended December 31, 2011.**

**Revenue**

Our 'Revenue from Operations' was ₹4,301,918,911 for the Fiscal 2012 as against ₹3,918,214,254 for the Fiscal 2011 recording a y-o-y growth of 9.8%. The higher revenues can be primarily attributed to increase in travel and related services' revenue. The results for fiscal 2011 included a one-time sign-on bonus of ₹61,220,000 received from Access Prepaid Worldwide Limited, in relation to an agreement entered into with them, for marketing and distribution of multicurrency prepaid cards, and a sign-on bonus of ₹6,000,000 received from Bajaj Allianz General Insurance Company Limited.

**Other Income**

Our 'Other Income' was ₹103,141,775 for the Fiscal 2012 as against ₹187,154,038 for the Fiscal 2011, resulting in a decrease by 44.9% in 2012 compared to 2011 on account of profit on sale of Fixed Assets (net) of ₹72,660,499 as against Nil in Fiscal 2012.



## ***Expenditure***

### ***Employee Benefit Expenses***

Our 'Employee Benefit Expenses' were ₹1,755,453,821 for the Fiscal 2012 as against ₹1,540,084,836 for the Fiscal 2011, resulting in an increase by 14.0% in 2012 compared to 2011 due to head count additions in line with increased business volumes and salary increments given in 2012.

### ***Finance Costs***

Our 'Finance Costs' were ₹310,093,031 for the Fiscal 2012 as against ₹307,830,903 for the Fiscal 2011, resulting in a marginal increase by 0.7% in 2012 compared to 2011. Our 'Finance Costs' have, on consolidated basis, not changed materially in 2012 as compared to 2011.

### ***Depreciation and Amortisation Expenses***

Our 'Depreciation and Amortisation Expenses' were ₹141,798,385 for the Fiscal 2012 as against ₹139,350,757 for the Fiscal 2011, resulting in a marginal increase by 1.8% in 2012 compared to 2011.

### ***Other Expenses***

Our 'Other Expenses' were ₹1,192,597,609 for the Fiscal 2012 as against ₹1,111,962,516 for the Fiscal 2011, resulting in an increase by 7.3% in 2012 compared to 2011 due to increase in establishment expenses such as rent, rates & taxes, repairs & maintenance, electricity charges & loss on sale of fixed assets (net).

### ***Advertisement Expenses***

Our 'Advertisement Expenses' was ₹234,275,775 for the Fiscal 2012 as against ₹199,694,953 for the Fiscal 2011, resulting in an increase by 17.3% in 2012 compared to 2011 due to marketing for co-branded borderless multicurrency prepaid cards and higher advertisement expenditure for Leisure Travel –Outbound and MICE-Domestic holidays businesses.

## ***Profit Before Tax***

Our 'Profit Before Tax' was ₹770,842,065 for the Fiscal 2012 as against ₹806,444,327 for the Fiscal 2011, resulting in a decrease by 4.4% in 2012 compared to 2011. The results for 2011 included a one-time sign-on bonus of ₹61,220,000 received from Access Prepaid Worldwide Limited, in relation to an agreement entered into with them, for marketing and distribution of multicurrency prepaid cards, and a sign-on bonus of ₹6,000,000 received from Bajaj Allianz General Insurance Company Ltd. Profit before Tax in Fiscal 2011 also included profit on sale of fixed assets (net) ₹72,660,499 as against Nil in Fiscal 2012. Taking out the effect of these one-time items, Profit before Tax for Fiscal 2012 would have been higher than Profit Before Tax for Fiscal 2011.

## ***Tax Expense***

The 'Tax Expense' for Fiscal 2012 was ₹266,484,232, as against ₹244,048,063 for Fiscal 2011. The effective tax rate for Fiscal 2012 was 34.6% as against 30.3% for Fiscal 2011. The effective tax rate for Fiscal 2011 was lower than Fiscal 2012, on account of recognition of deferred tax asset on brought forward losses of Travel Corporation (India) Ltd., a Subsidiary of our Company.

## ***Profit After Tax***

Our 'Profit After Tax' was ₹504,357,833 for the Fiscal 2012 as against ₹562,396,264 for the Fiscal 2011, resulting in a



decrease by 10.3% in 2012 compared to 2011. As a result of the Fiscal 2011 including the aforementioned one-time sign-on bonuses received from Access Prepaid Worldwide Limited and Bajaj Allianz General Insurance Company Ltd., and the profit from sale of fixed assets (net), Profit After Tax of Fiscal 2011 is higher than Profit After Tax of Fiscal 2012.

### **Assets**

Our 'Assets' were ₹9,552,826,145 for the Fiscal 2012 as against ₹9,230,144,386 for the Fiscal 2011, resulting in an increase by 3.5% in 2012 compared to 2011. There was an increase in current investments by ₹714,816,876, long-term loans and advances by ₹176,412,584, other non-current assets by ₹155,757,416, other current assets by ₹77,226,632, and short-term loans and advances by ₹20,552,946 loans, partially offset by a decrease in fixed assets by ₹15,257,831, trade receivables by ₹158,938,927 and cash and bank balances by ₹647,887,921.

### **Net Worth attributable to Equity Shareholders**

Our 'Net Worth attributable to Equity Shareholders' was ₹4,378,312,185 for the Fiscal 2012 as against ₹3,916,782,473 for the Fiscal 2011, resulting in an increase by 11.8% in Fiscal 2012 compared to Fiscal 2011. Increase in Net worth attributable to Equity Shareholders is primarily driven by retained profits of Fiscal 2012.

### **Material Developments in 2012**

#### **Acquisition by Fairbridge**

Fairbridge acquired 76.81% of the equity share capital consisting of 163,471,449 Equity Shares at ₹50 each of the Company in 2012 from TCIM and TCUK, the then promoters of our Company. Fairbridge has acquired 10.41% of the equity share capital consisting of 22,182,276 Equity Shares from the non promoters through the open offer at a price of ₹65.48 each in terms of the SEBI (SAST) Regulation, 2011. The acquisition process concluded on August 14, 2012. For details regarding the acquisition, please refer the section titled '**Our Business**' on page 90 of this Offer Document.

#### **Transfer of Sri Lanka Business**

During the Fiscal 2012, the Company has transferred its Sri Lanka branch business to its wholly owned Subsidiary Thomas Cook Lanka (Private) Limited with effect from August 1, 2012 for a consideration of ₹47,500,000.

### **Comparison of Performance and Analysis of Developments for the financial year ended December 31, 2011 with financial year ended December 31, 2010.**

#### **Revenue from Operations**

Our 'Revenue from Operations' was ₹3,918,214,254 for the Fiscal 2011 as against ₹3,174,300,097 for the Fiscal 2010 recording a y-o-y growth of 23.4%. The increase was primarily due to rise in Leisure Outbound and MICE revenues in Fiscal 2011. Foreign exchange revenues, too, grew in Fiscal 2011, on account of sign-on and anniversary bonuses received from Access Prepaid Worldwide Limited, in respect of the marketing and distribution of multicurrency prepaid cards. Revenue from operations of Fiscal 2010 included a prior period adjustment of ₹75,841,212, relating to overstatement of profits in the financial statements of Thomas Cook (Mauritius) Operations Company Ltd., a step-down Subsidiary of our Company, in earlier years.

#### **Other Income**

Our 'Other Income' was ₹187,154,038 for the Fiscal 2011 as against ₹235,889,478 for the Fiscal 2010, resulting in a decrease by 20.7% in 2011 compared to 2010 due to higher profit on sale of Fixed Assets (net) of ₹142,626,864 in 2010 as against ₹72,660,499 in 2011.



## ***Expenditure***

### ***Employee Benefits Expenses***

Our '*Employee Benefits Expenses*' was ₹1,540,084,836 for the Fiscal 2011 as against ₹1,294,759,101 for the Fiscal 2010, resulting in an increase by 18.9% in 2011 compared to 2010 on account of salary increments and headcount increase in 2011. There was no variable bonus payout in 2010.

### ***Finance Costs***

Our '*Finance Cost*' was ₹307,830,903 for the Fiscal 2011 as against ₹221,905,423 for the Fiscal 2010, resulting in an increase by 38.7% in 2011 compared to 2010 due to higher interest rates and increased bank guarantee charges.

### ***Depreciation and Amortisation expenses***

Our '*Depreciation and Amortisation expenses*' were ₹139,350,757 for the Fiscal 2011 as against ₹135,041,975 for the Fiscal 2010, resulting in an increase by 3.2% in 2011 compared to 2010 on account of increased capital expenditure.

### ***Other Expenses***

Our '*Other Expenses*' were ₹1,111,962,516 for the Fiscal 2011 as against ₹916,195,804 for the Fiscal 2010, resulting in an increase by 21.4% in 2011 compared to 2010 due to rise in rent, rates & taxes on account of opening additional foreign exchange counters at Mumbai International Airport, higher repairs & maintenance costs, postage, telephone & courier charges, legal & professional charges & provision for bad & doubtful debts mainly in Corporate Travel business.

### ***Advertisement Expenses***

Our '*Advertisement Expenses*' were ₹199,694,953 for the Fiscal 2011 as against ₹206,019,708 for the Fiscal 2010, resulting in a decrease by 3.1% in 2011 compared to 2010 on account of reduction in sponsorship expenses.

### ***Exceptional Items***

Exceptional Item for Fiscal 2010 represents ₹100,000,000 received as compensation towards termination of Non Compete Agreement for the LKP Forex acquisition. Results of Operations for Fiscal 2011 did not include any Exceptional Items.

### ***Profit Before Tax***

Our '*Profit Before Tax*' was ₹806,444,327 for the Fiscal 2011 as against ₹736,267,564 for the Fiscal 2010, resulting in an increase by 9.5% in 2011 compared to 2010. Our '*Profit Before Tax*' has, on a consolidated basis, increased in 2011 due to higher Revenue from operations in 2011, driven by a rise in Leisure Outbound and MICE revenues, in addition to receipt of sign-on and anniversary bonuses from Access Prepaid Worldwide Limited, for marketing and distribution of multicurrency prepaid cards. Results of Fiscal 2010 included a prior period adjustment of ₹75,841,212, relating to overstatement of profits in the financial statements of Thomas Cook (Mauritius) Operations Company Ltd., a step-down Subsidiary of our Company, in earlier years, besides an exceptional item of ₹100,000,000 received as compensation towards termination of the Non Compete Agreement for the acquisition of LKP Forex.

### ***Tax Expense***

Our '*Tax Expense*' was ₹244,048,063 for Fiscal 2011, as against ₹264,657,943 for Fiscal 2010. The effective tax rate for Fiscal 2011 was 30.3% as against 35.9% for Fiscal 2010. The effective tax rate for Fiscal 2011 was lower than that of Fiscal 2010, primarily on account of recognition of deferred tax asset on brought forward losses of Travel Corporation



(India) Ltd., a Subsidiary of our Company.

### ***Profit After Tax***

Our 'Profit After Tax' was ₹562,396,264 for the Fiscal 2011 as against ₹471,609,621 for the Fiscal 2010, resulting in an increase by 19.3% in 2011 compared to 2010. Our 'Profit After Tax' has, on a consolidated basis, increased in 2011, on account of the aforesaid rise in Leisure Outbound and MICE revenues, and receipt of sign-on and anniversary bonuses from Access Prepaid Worldwide Limited. As already mentioned, the results of Fiscal 2010 included a prior period adjustment of ₹75,841,212 relating to overstatement of profits by a step- down Subsidiary, in the earlier years, and an exceptional item of ₹100,000,000 received as compensation towards termination of the Non- Compete Agreement for the acquisition of LKP Forex.

### ***Assets***

Our 'Assets' were ₹9,230,144,386 for the Fiscal 2011 as against ₹7,896,421,741 for the Fiscal 2010, resulting in an increase by 16.9% in Fiscal 2011 compared to Fiscal 2010. There was a rise in cash and bank balances by ₹1,123,906,854, current investments by ₹226,941,497, short- term loans and advances by ₹224,323,872, trade receivables by ₹39,066,265, fixed assets by ₹28,005,450, and other non-current assets by ₹9,840,562, partially offset by a reduction in long-term loans and advances by ₹315,104,939 and other current assets by ₹3,256,602

### ***Net Worth attributable to Equity Shareholders***

Our 'Net Worth attributable to Equity Shareholders' was ₹3,916,782,473 for the Fiscal 2011 as against ₹3,401,520,290 for the Fiscal 2010, resulting in an increase by 15.2% in Fiscal 2011 compared to Fiscal 2010. The increase in Net Worth attributable to Equity Shareholders is primarily driven by retained profits of Fiscal 2011.

### ***Liquidity and Capital Resources***

Liquidity refers to the ability of our Company to generate funds from internal sources, or raise funds from external resources to meet our obligations and commitments. Funds may be generated through issue of equity/ preference shares, cash generated through operating, investing and financing activities, and through borrowings from banks or other financial institutions. Our capital resources consist of current or potentially available funds for use in achieving business objectives and other commitments.

Working Capital needs form the bulk of our capital requirements. Our working capital needs are generally financed through internal cash accruals arising out of cash generated from operating activities, short- term bank loans and bank overdrafts and issue of commercial papers to mutual funds and banks.

### ***Material Developments in 2011***

During Fiscal 2011 the Company signed an agreement with Access Prepaid Worldwide Limited as its service provider for marketing & distribution of multicurrency prepaid cards.

### ***Cash Flows***

The summary of the Company's consolidated cash flows for fiscal 2010, 2011 & 2012 are as under:

Sr. No	Particulars	Year Ended		
		December 31, 2012	December 31, 2011	December 31, 2010
1.	Net cash from Operating Activities	1,145,116,001	1,532,838,580	81,374,942
2.	Net cash (used in)/ from Investing	(1,044,269,491)	(316,702,900)	23,572,406



Activities				
3.	Net cash (used in)/ from Financing Activities	(758,873,960)	(123,049,423)	18,475,459
4.	Effect of exchange fluctuation on transaction reserve	9,398,195	23,819,920	(9,064,658)
5.	Total (Decrease)/Increase in Cash and Cash Equivalents during the year	(648,629,254)	1116,906,177	114,358,149
6.	Cash and Cash Equivalents at the beginning of the year	2,715,825,610	1,598,919,433	1,484,561,284
7.	Cash and Cash Equivalents at the end of the year	2,067,196,356	2,715,825,610	1,598,919,433

**Operating Activities:** Net cash generated from operating activities in 2012 was ₹1,145,116,001, consisting of profit before tax of ₹770,842,065, adjusted for finance costs, non-operating items and non-cash charges of ₹508,278,859, reduction in working capital of ₹121,992,255, and income taxes paid (net of refunds) worth ₹255,997,177. The reduction in working capital includes a decrease in trade receivables of ₹122,729,701 and a net increase in trade payables, provisions and other liabilities of ₹304,257,037, offset by an increase in loans and advances and other assets worth ₹304,994,484.

Net cash generated from operating activities in 2011 was ₹1,532,838,580, consisting of profit before tax of ₹806,444,327, adjusted for finance costs, non-operating items and non-cash charges of ₹464,276,673, reduction in working capital of ₹292,802,501, and income taxes paid (net of refunds) worth ₹30,684,921. The reduction in working capital includes a net decrease in trade payables, provisions and other liabilities of ₹579,962,564, offset by net increase in trade receivables of ₹125,349,621, and loans and advances and other assets of ₹161,810,442.

Net cash generated from operating activities in 2010 was ₹81,374,942, consisting of profit before tax of ₹736,267,564, adjusted for finance costs, non-operating items and non-cash charges of ₹215,744,455, increase in working capital of ₹721,284,453, and income taxes paid (net of refunds) worth ₹149,352,624. The increase in working capital includes a net decrease in trade payables, provisions and other liabilities of ₹125,336,998, and net increase in trade receivables of ₹173,379,375, and loans and advances and other assets of ₹422,568,080.

**Investing Activities:** Net cash used in investing activities in 2012 was ₹1,044,269,491, consisting primarily of purchase of fixed assets (net of proceeds of sale of fixed assets) of ₹187,335,771, net purchase of current investments of ₹714,816,877 and investment in Fixed Deposits having maturity over 3 months of ₹156,328,673, partially offset by interests and dividends received of ₹14,211,830

Net cash used in investing activities in 2011 was ₹316,702,900, consisting primarily of purchase of fixed assets (net of proceeds of sale of fixed assets) of ₹82,468,133, net purchase of current investments of ₹226,941,497 and investment in Fixed Deposits having maturity over 3 months of ₹16,675,395, partially offset by interests and dividends received of ₹9,382,125.

Net cash generated from investing activities in 2010 was ₹23,572,406, consisting primarily of net sale of current investments of ₹214,448,724, liquidation of investment in Fixed Deposits having maturity over 3 months of ₹14,484,650 and interests and dividends received of ₹6,635,608, partially offset by purchase of fixed assets (net of proceeds of sale of fixed assets) of ₹211,996,576.

**Financing Activities:** Net cash used in financing activities in 2012 was ₹758,873,960, primarily due to repayment of borrowings (net) ₹393,674,996, Finance costs paid ₹325,818,468 and dividend (including dividend tax) paid for the year ₹92,762,402, partially offset by increase in finance lease liabilities ₹10,953,909 and issue of equity shares under Employees Stock Option Schemes ₹42,427,997.



Net cash used in financing activities in 2011 was ₹123,049,423, primarily due to finance costs paid ₹276,778,727 and dividend (including dividend tax) paid for the year ₹92,343,634, partially offset by proceeds from borrowings (net) ₹239,249,625, increase in finance lease liabilities ₹771,529 and issue of equity shares under Employees Stock Option Schemes ₹6,051,784.

Net cash from financing activities in 2010 was ₹18,475,459, primarily due to proceeds from borrowings (net) ₹300,507,618, increase in finance lease liabilities ₹15,573,279 and issue of equity shares under Employees Stock Option Schemes ₹14,103,850 partially offset by finance costs paid ₹219,184,789, and dividend (including dividend tax) paid for the year ₹92,524,499.

#### ***Effect of Exchange Fluctuation on Translation Reserve***

These refer to non cash credits/ charges to our operating results, arising out of translation of assets and liabilities of our foreign Subsidiaries/ branches into Indian Rupees.

#### ***Off- Balance Sheet Commitments and Arrangements***

We do not have any off- balance sheet arrangements with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off- balance sheet arrangements.

#### **Transactions with Associate Companies and Related Parties**

We enter into transactions with companies which are controlled by members of our Promoter Group and other related parties in the ordinary course of our business.

#### **Quantitative and Qualitative Disclosure about Market Risk**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign exchange risk, inflation and commodity risk. We are exposed to different degrees of these risks in the normal course of our business. We are specifically exposed to market risk from changes in interest rates and foreign exchange fluctuation.

#### ***Interest Rate Risk***

Our financial results are subject to changes in interest rates, which may affect our debt service obligations. We are exposed to market risk as a result of changes in interest rates to the extent of our floating rate indebtedness. Moreover, the interest rates on certain borrowings are subject to periodic resets. Upward fluctuations in interest rates would increase the cost of both existing and new debts. In the current fiscal year and in future periods our borrowings may rise based on our growth plans. We do not currently use any derivative instruments to modify the nature of our exposure to floating rate indebtedness so as to manage interest rate risk.

#### ***Foreign Exchange Risk***

Fluctuations in exchange rates have direct impact on our businesses. Strengthening of rupee may increase the number of outbound tourists from India as foreign tours will become relatively cheaper. However, at the same time it may affect inbound tourism as traveling to India would become relatively expensive and vice-versa. We report our financial results in Indian rupees, while portions of our total income and expenses are denominated, generated or incurred in currencies other than Indian rupees, such as U.S. Dollars. To the extent that our income and expenditures are not denominated in Indian rupees, exchange rate fluctuations could affect the amount of income and expenditure we record.

Any depreciation of the rupee against the currency in which we have an exposure will increase the rupee costs to us of servicing and repaying our expenditure and indebtedness. We hedge our foreign exchange exposure by currency swaps in the international markets.



The foreign currency components of the cost of outbound tours are charged to the client in the currency that is paid to the service providers. In Inbound business some of the contracts with the customers are denominated in foreign currency while the corresponding contracts with the local service providers are denominated in INR in such cases any fluctuation in exchange rate at the time of settlement of payment may decrease or increase the profits.

### ***Inflation***

India has experienced high inflation rates in the last few years, which has led to increase in costs. This, coupled with tight monetary policy followed by the RBI has led to an adverse macroeconomic scenario. This has, created and may continue to create, negative consumer sentiment regarding discretionary spending, and consequently impact our Company.

## INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries, industry websites/publications and company estimates. Industry websites/publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in the Letter of Offer is reliable, it has not been independently verified. Similarly, our internal estimates, while believed by us to be reliable, have not been verified by any independent agencies.

### Worldwide Travel and Tourism Industry

The Travel & Tourism Industry represents a wide spectrum of global economic activity spanning countries across the world and includes not just large commercial hubs & capital cities, but also smaller towns and villages as well as remote rural destinations. It is one of the world's largest industries or economic sectors, representing a major contributor to GDP, employment, exports and taxes for many global economies.

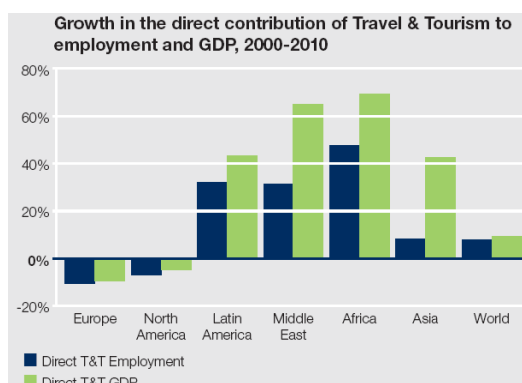
In 2011, the Travel and Tourism Industry contributed over US\$ 6 trillion to the global economy, or 9% of global gross domestic product (GDP) and accounted for 255 million jobs worldwide. The rapid rise in global demand for Travel & Tourism over the past few decades has been spurred by the rise in living standards across the world, fuelled by growing wealth and aspirations and aided by increasing global commerce, trade and connectivity across nations and their peoples.

In the Asia Pacific region specifically, the direct contribution of Travel & Tourism to the region's GDP in 2012 was USD 614 billion (2.7% of GDP) and is forecast to rise by 5.2% to USD 646 billion in 2013. India and China are expected to emerge as two of the leading tourism markets in next 10 years. (Source: World Travel & Tourism Council)

### Travel & Tourism's Direct Contribution to GDP

Country	2010 US\$ billion	2022E US\$ billion	CAGR %
China	156	850	15%
India	31	103	11%
US	407	755	5%
UK	51	108	6%
Australia	31	54	5%

(Source: World Travel & Tourism Council)



(Source: World Travel & Tourism Council)

### Economies to Watch

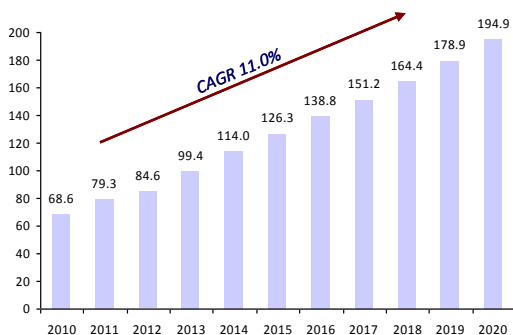
Over the next ten years, emerging tourism markets are expected to start reaping greater benefits from their investments in Travel & Tourism development. While the USA, China, Japan and Germany are expected to retain their leading positions in terms of total Travel & Tourism Demand (in absolute terms), China and India are expected to be amongst the leaders in terms of annual growth in Travel & Tourism between 2010 and 2022, with a CAGR of 15% and 11% respectively in terms of Travel & Tourism's Direct Contribution to GDP.

### The Indian Travel and Tourism Industry

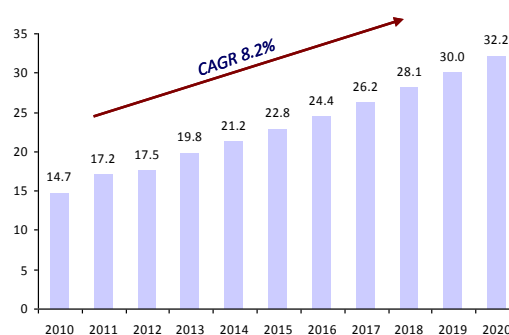
India represents an attractive market for both inbound tourism and outbound tourism. On the inbound side, with a recorded 5,000 year history, rich cultural heritage of art and architecture, natural beauty, diversity of religions, culture, food and customs as well as alternative medicine etc., fascinate budget and luxury travellers alike.

Tourism in India has registered significant growth in the recent years. The domestic travel & tourism spending has grown from USD 31.9 billion in 2000 to USD 79.31 billion in 2010, registering a CAGR of 8.0%. The visitor export has grown from USD 3.6 billion in 2000 to USD 14.7 billion in 2010, registering a CAGR of 15.1%. The domestic travel & tourism spending and the visitor export are expected to register CAGR of 11.0% and 8.2% respectively, over the period 2010 – 2020.

India - Domestic Travel & Tourism Spending



India - Visitor Exports in US\$ Bn



(Source: World Travel & Tourism Council)

With rising incomes, growing aspirations and increasing globalization the Indian traveller is travelling both within India and abroad for leisure, more than ever before. A growing airline, train and bus network, increased competition, cheaper fares and improvement in travel related infrastructure such as airports, stations, roads and hotels have all contributed to this. The Tourism sector also holds immense potential for the growth and development of the Indian economy. It can provide an impetus to other industries through both backward and forward linkages and can contribute significantly towards growing the country's GDP. The direct contribution of Travel & Tourism to GDP in 2011 was INR1,689.8 billion (1.9% of GDP), which is expected to grow by 7.7% p.a. to INR 3,805.2 billion (1.9% of GDP) by 2022.

#### Contribution of Travel & Tourism in GDP & Employment in 2011

In USD billion	India 2011	World average 2011
Direct Contribution to GDP	35.8	2011.5
Domestic travel & tourism spending	79.3	2876.4
Capital Investment	33.1	750.7

(Source: World Travel & Tourism Council)

#### SWOT Analysis - Indian Tourism Industry (Inbound)

##### Strengths

- One of the most diverse products on the global tourism scene - wide choice of tourist attractions and offerings across seekers of history, diversity of culture, archeological sites, architecture, art & culture, food, medicine, wildlife, adventure sports etc. Presence of highly sought tourist destinations, including the Taj Mahal, Warm and friendly local population, Government's focus on the sector as an important source of contributor to GDP and employment generation, Improved travel and tourism infrastructure - hotels, roads, airports etc., Increasing capabilities of tour operators to offer customized packages for inbound tourists.

##### Weaknesses

- The infrastructural facilities need to improve further to make them globally competitive. Lack of adequate marketing initiatives overseas, highlighting India's tourism potential

## Opportunities

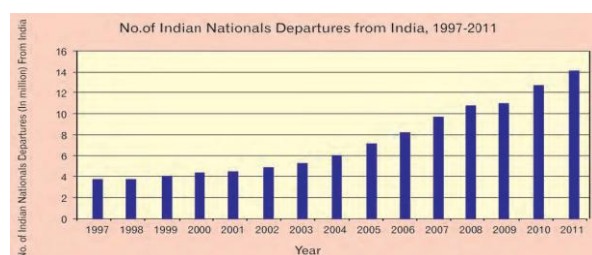
- Government expenditure on the industry rising from a low base, Medical tourism - a major growth driver, Vast growth opportunities in the domestic tourism space, Inbound tourists in India is a small fraction of the global market size, hence there is a vast upside potential to this segment.

## Threats

- Law and order situation in certain pockets of the country may adversely affect tourist flow
- Aggressive promotion by neighboring countries in the Asian region, which generates competition
- Economic conditions/political turmoil in certain countries or a group of countries may affect tourism in India

## OUTBOUND TOURISM

A booming Indian economy, growing disposable incomes, higher aspirations of a growing middle/upper middle class for international travel, cheaper international air travel options and better deals available from a variety of airlines, tourism boards, hotels and travel service providers to travel abroad have all helped boost outbound tourist flow. The number of outbound travellers from India increased from 3.73 million in 1997 to 14.21 million in 2011. The growth in number of outbound travellers from India during the period 1997 to 2011 is shown in the graph below:



(Source: Ministry of Tourism)

## Growth Drivers

- Rising disposable incomes

Steadily increasing per capita incomes and consequently disposable incomes - have fuelled tourism, domestic as well as international with more and more Indians spending more on leisure travel. As a result, leisure breaks have moved from the “visit family and friends” routine to “exploration and discovery” options and what was a “once a year” phenomenon is now increasingly a “multiple breaks” phenomenon.

While earlier, wealth was concentrated in urban centers, the last decade has witnessed the rapid growth of Tier 2 and Tier 3 markets in almost every state as attractive markets due to the increasing dispersion of wealth and a growing propensity to spend and live well.

Nuclear, smaller and double income families as a percentage of population are on the rise, and this combined with a “young Indian” demographic are all helping the industry grow rapidly by adding to the natural market every year.

Despite all this, there is a vast untapped population and potential to grow as more and more Indians rise above their current economic levels and seek a better quality of life and lifestyle.

- Rising consumer expenditure on leisure

With an increase in the population, along with an expanding middle class and a rise in disposable incomes, consumer expenditure on leisure is on an upward curve. A large proportion of this burgeoning middle class is spending on leisure travel.

- Rising business travel

With the growing economy and increasing globalization, the business travel is on an upswing.

- Others

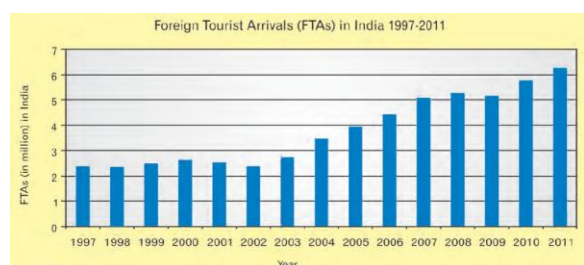
Relaxation in exchange control regulations and ease of spending in Foreign Exchange have contributed to the boost in outbound travel.

### Growth Prospects

- With growing disposable incomes, cheaper travel and holidaying options, the Indian outbound tourism market offers great potential. Business departures are expected to grow strongly, as India has emerged as a major economic power - leading to increased business interests & investments in India from several other countries as well as Indian companies seeking business and investing overseas. Indian tourists, earlier considered few and tight-fisted, are now being recognized all over the world as among the largest source markets as well as among the most prolific spenders. This has in turn, led to more countries trying to attract the Indian traveller more aggressively with incentives and offers across the value spectrum from budget to high end luxury holidays, experiences, cruises etc.

### INBOUND TOURISM

Focused marketing of tourism products and branding of India as a high value destination coupled with policies targeted at strengthening of tourism infrastructure by the Ministry of Tourism have been responsible for a healthy growth in international tourist arrivals to India. Over the years, the arrival of foreign tourists has grown from about 2.37 million in 1997 to 6.29 million in 2011. For the first 6 months of 2012, total 3.24 million foreign tourists have arrived in India.



(Source: Ministry of Tourism)

### India's Tourist Profile

For the year 2011, India received the largest number of overseas tourists from the United States (15.54%), followed by United Kingdom (12.65%), Bangladesh (7.35%), Sri Lanka (4.85 %), Canada (4.11%), Germany (3.81%), France (3.67%), Malaysia (3.30%), Japan (3.07 %), Australia (3.05%), Russian Fed. (2.29%), China (Main) (2.25%), Nepal (1.89%), Singapore (1.89%) and Republic of Korea (1.72%).

The break-up of foreign tourist arrival from top 15 source countries in India for 2011 vs. 2010 is as given in the table below:

2010				2011			
Country	Rank	FTAs	% Share	Rank	Country	FTAs	% Share
USA	1	931292	16.12	1	USA	980688	15.54
UK	2	759494	13.15	2	UK	798249	12.65
Bangladesh	3	431962	7.48	3	Bangladesh	463543	7.35
Sri Lanka	4	266515	4.61	4	Sri Lanka	305853	4.85
Canada	5	242372	4.2	5	Canada	259017	4.11
Germany	6	227720	3.94	6	Germany	240235	3.81

France	7	225232	3.9	7	France	231423	3.67
Malaysia	8	179077	3.1	8	Malaysia	208196	3.3
Australia	9	169647	2.94	9	Japan	193525	3.07
Japan	10	168019	2.91	10	Australia	192592	3.05
Russian Fed.	11	122048	2.11	11	Russian Fed.	144312	2.29
China(Main)	12	119530	2.07	12	China(Main)	142218	2.25
Singapore	13	107487	1.86	13	Nepal	119131	1.89
Nepal	14	104374	1.81	14	Singapore	119022	1.89
Rep.of Korea	15	95587	1.65	15	Rep. of Korea	108680	1.72
Total of top 15 countries		4150356	71.9%	Total of top 15 countries		4506684	71.4%
Others		1625336	28.1%	Others		1802538	28.6%
Grand Total		5775692	100.0%	Grand Total		6309222	100.0%

(Source: Ministry of Tourism)

### Tourist Attractions

- **Historical / archeological heritage:** Historical places like forts, the Taj Mahal etc. attract a large number of foreign tourists every year. India offers a vast array of archeological sites which are of significant interest amongst the overseas tourists interested in India's culture and heritage.
- **Art, music, dance, food & local culture:** India's diverse cultural heritage attracts many international tourists who seek new learning and experiences.
- **Holistic living & Spiritual tourism:** India's ancient, mystical and spiritual secrets attract many – as the home of Yoga, Ayurveda and Spirituality (home of two major world religions: Hinduism and Buddhism) etc.
- **Medical Tourism:** The Ministry of Tourism has taken several initiatives, in partnership with the private sector, to promote India as a destination for medical tourism and make it a global health destination.
- **Rural Tourism:** The concept of rural tourism is developing for showcasing the art, crafts and cultural heritage of the rural India and for creating gainful employment in villages with tourism potential.
- **Cruise Tourism:** Cruise Tourism has been a major tourist attraction in destinations like Malaysia, Thailand, Singapore, etc. With a vast and beautiful coastline, India has a lot of potential in Cruise Tourism as a tourist attraction.
- **Convention Tourism:** International convention centers of global standards are also one of the important avenues for promoting India as an attractive tourist destination in the global market. The Ministry of Finance has already identified New Delhi, Mumbai, Bangalore, Goa and Jaipur for opening of world-class convention centers. Several initiatives have been taken up by way of public-private partnerships to develop small convention centers of high standards.

### Growth Prospects

The Government of India, along with the Tourism Development Corporation, launched the "Incredible India" campaign worldwide across the US, Europe, Asia Pacific and the Middle East to attract affluent tourists from all parts of the world to India.

By 2022, international tourist arrivals are forecast to total 11.3 million, generating expenditure of INR 1,382.6 billion, an increase of 5.2% p.a.

(Source: World Travel & Tourism Council)

## DOMESTIC TOURISM

Indians historically, have traveled within India mainly for pilgrimage/religious reasons, leisure, visiting families/friends and business. For example, Uttar Pradesh is an important state from the religious perspective - Varanasi and Allahabad are major pilgrimage destinations for Hindus (the dominant religious group in India). The capital of Uttar Pradesh, Lucknow, is a cultural center for Muslim community. The state of Uttaranchal has the Char Dhams, important pilgrimage spots for Hindus. Bodh Gaya is a sacred place for Buddhists, where Lord Buddha received enlightenment. Similarly, Tamil Nadu and Andhra Pradesh are important religious states for the Hindus with numerous historically significant temples and places of worship.

The rapid growth and reach of low cost airlines have transformed domestic travel in India. Increased capacities and competitive ticket prices have encouraged a large number of Indians to travel within India faster and more efficiently. This has also helped leisure and business travel, which is booming with the growing economy. Hyderabad and Bangalore have emerged as important commercial and IT hubs of India. They attract a fair share of business travel, along with Mumbai and Delhi, the historical hubs. Other satellite towns like Pune and Gurgaon, as well as capital cities like Ahmedabad, Chennai etc., are all growing commercial centers. Initiatives, by the Ministry of Tourism, Government of India, as well as the various state tourism departments are also promoting domestic tourism. The hill stations of Northern & Southern India, the beaches of Goa, the backwaters of Kerala the diverse attractions of many Indian states, attract leisure travellers.

The share of top 10 States / UTs of India number of domestic tourist visits in 2011 is as below:

Share of Top 10 States/UTs of India in Number of Domestic Tourist Visits in 2011

Rank	State/UT	Domestic Tourist Visits in 2011 (P)	
		Number	Percentage Share(%)
1	Uttar Pradesh	155430364	18.3
2	Andhra Pradesh	153119816	18.0
3	Tamil Nadu	137512991	16.2
4	Karnataka	84107390	9.9
5	Maharashtra	55333467	6.5
6	Madhya Pradesh	44119820	5.2
7	Rajasthan	27137323	3.2
8	Uttarakhand	25946254	3.0
9	West Bengal	22256968	2.6
10	Gujarat	21017478	2.5
	Total of top 10 States	725981871	85.3
	Others	124874769	14.7
	Total	850856640	100.0

(Source: Ministry of Tourism)

## Tourism - Policies

The government is recognizing tourism as a major driver of economic growth and employment generation. The Ministry of Tourism is taking many measures to generate more revenue. Some of these measures included:

- Improving tourist infrastructure for important destinations.
- Focusing attention on hotel infrastructure, particularly budget hotels.
- Enhancing connectivity through augmentation of air seat capacity.
- Improving road infrastructure connecting major tourist attractions.
- Directly approaching consumers through centralised electronic and print media campaigns, such as the 'Incredible India' and 'Athi Devo Bhav' campaigns.
- Promoting the use of Internet connectivity at places of tourist interest.
- Launching road shows in major source markets overseas
- Use of the 7-S Mantra of Swaagat (welcome), Soochana (information), Suvidha (facilitation), Suraksha (security), Sahyog (cooperation), Sanrachna (infrastructure) and Safaai (cleanliness)

## FOREIGN EXCHANGE MARKET

Foreign exchange and travel insurance services are important related services to the travel business.

## Indian Money changing Market

Money changing business consists of buying and selling foreign currencies for the needs of the travellers. Foreign exchange comes into the country through tourists visiting India, physical currency deposits into FCNR accounts by NRIs. These foreign currencies are bought by the various foreign exchange players. Similarly foreign exchange is sold by these players to tourist going out of India. Excess currency in the system is exported back to the country of issuance.

Indian money changing industry is highly fragmented with very large number of regional and local players providing the money changing facilities to retail and corporate customers. However, these players are niche local players and lack on the scale of operations at national level. The size of their business makes it economically unviable for these smaller players to either consolidate excess currencies from other players and / or export currencies on their own. They are mainly dependent on few large players including TCIL for consolidating and exporting the excess physical currency from India to country of issuance of these currencies.

## Market Players

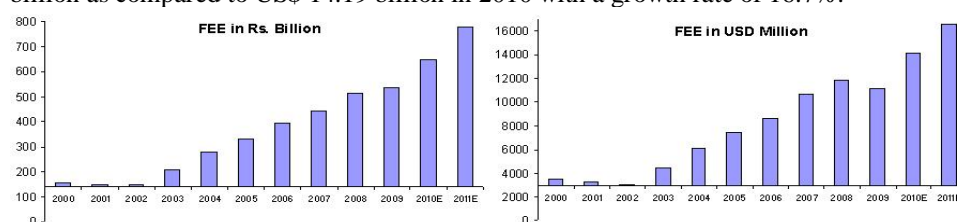
RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries / entities in the public and private sectors are authorized to deal in foreign exchange and their major activities include the following:

Sr. No.	Category	Entities	Major Activities
1.	Authorised Dealer - Category - I	Commercial Banks State Co-op Banks Urban Co-op Banks	All current and capital account transactions according to RBI directions issued from time-to-time.
2.	Authorised Dealer - Category - II	Upgraded FFMCs Co-op. Banks Regional Rural Banks (RRBs) Others	Specified non-trade related current account transactions and all the activities permitted to Full Fledged Money Changers and any other activity as decided by the Reserve Bank.
3.	Authorised Dealer - Category - III	Select Financial and other Institutions	Transactions incidental to the foreign exchange activities undertaken by these institutions.
4.	Full Fledged Money Changers	Department of Posts Urban Co-op. Banks Other FFMCs	Purchase of foreign exchange and sale for private and business visits abroad.

Customers – whether individuals or corporates, who need foreign exchange for their travel related transactions, are also one of the major players in the foreign exchange market, and they for all practical purposes, depend upon ADs and brokers.

## Foreign Exchange Earnings from Tourism in India

Tourism is the most important sector in the country for Foreign Exchange Earning (“FEE”). As per the monthly estimates prepared by Ministry of Tourism, FEE from tourism in India in 2011 was ₹775.91 billion as compared to ₹648.89 billion in 2010 registering a growth of 19.6 % in 2011 over 2010. In US \$ term, FEE from tourism in 2011 were US \$ 16.56 billion as compared to US\$ 14.19 billion in 2010 with a growth rate of 16.7%.



(Source: Ministry of Tourism)



## TRAVEL INSURANCE

Travel Insurance protects travellers against contingencies associated with traveling. This insurance provides coverage for emergencies such as emergency hospitalization due to accident or illness, loss or delay of checked luggage, loss of travel documents and accidental death/dismemberment, repatriation of remains and emergency medical evacuation. This policy often includes trip cancellation insurance and Personal liability.

Given the large & widespread growth expected in outbound tourism, Travel Insurance for Indian outbound travellers has immense growth potential. Some countries like those of the Schengen Area, do not allow visitors' entry without a minimum specified insurance cover, and with the steady growth of outbound travellers, most General insurance companies in India are making the most of this business opportunity by providing customized travel insurance products to passengers based on value of cover, period of stay and destination.

## CREDIT CARDS

There is an increasing trend to issue co-branded credit cards, which are issued by companies who want to create customer and brand loyalty. These cards are typically issued in association with banks, which take up the administrative work related to credit appraisal, issuance and subsequent billing, using their existing credit card business channels.

### Online sales

Thanks to the growth and spread of internet penetration and usage, the last ten years have seen an unprecedented rise in online travel – from 'looking' (research into travel and destination options) to booking. According to Internet World Stats, internet penetration has grown from 0.4% of the global population (16 million users) in 1995 to 30% (2 billion) in 2011.

Use of the internet for booking tends to be higher in countries that have high internet penetration levels and usage of credit cards, e.g. the USA and UK. But the highest levels, interestingly, can be found in some smaller Travel & Tourism markets such as Scandinavia (65% and higher) and Australia. Globally, different estimates suggest that more than 50% of leisure trips and 40% of business trips are booked online.

The global online travel segment, valued at nearly USD 256 billion in 2010, represents 30% of the total travel market. From 2010-2012, global online travel bookings are forecast to accelerate twice as fast as the market overall, to reach US\$313 billion. This means that, by the end of 2012, one third of the world's Travel & Tourism sales will be made online.

Online travel facts & figures – 2010

Country	% of population online	mobile penetration	% of travel booked online	volume of online travel market (USD billion.)
China	32%	58%	18%	11
India	4%	36%	25%	4
Brazil	38%	92%	20%	4
USA	74%	91%	40%	93
UK	74%	129%	47%	26

(Source: World Travel & Tourism Council)



## OUR BUSINESS

Our Company was originally incorporated as a private limited company as ‘Thomas Cook (India) Private Limited’ on October 21, 1978 under the Companies Act. We subsequently converted into a public limited company, under the name of ‘Thomas Cook (India) Limited’, pursuant to the provisions of the Companies Act and received a fresh certificate of incorporation to this effect on March 12, 1979.

### *Acquisition by Fairbridge*

In February 2012, Thomas Cook UK and TCIM, our erstwhile promoters, commenced a sale process to divest their entire shareholding in the Company. The selling process involved competitive bidding from various investors including Fairbridge Capital (Mauritius) Limited. Fairbridge was one of the four (4) companies shortlisted by the sellers to enter the final round of bidding and negotiations process.

On May 21, 2012, Fairbridge and Thomas Cook UK and TCIM signed a share purchase agreement for purchase of the entire shareholding of TCIM and Thomas Cook UK. Pursuant to an open offer undertaken by Fairbridge in accordance with the provisions of the Takeover Regulations and consummation of the transactions contemplated under the said share purchase agreement, the shareholding of Fairbridge in our Company as on August 14, 2012 stood at 87.10% of the equity share capital of our Company.

Fairbridge is a subsidiary of Fairfax Financial Holdings, Canada which was founded in 1985 by its present Chairman and CEO – Mr. Prem Watsa. Fairbridge is a committed parent to a long term presence in India. After the acquisition, Fairbridge nominated two directors on the Board of our Company namely, Mr. Chandran Ratnaswami and Mr. Harsha Raghavan. The Board was further augmented by the induction of two new Independent Directors, Mr. Uday Chander Khanna and Mrs. Kishori Jayendra Udeshi.

### *History and Milestones*

Year	Achievement
1881	Thos. Cook & Son opens its first branch office in Mumbai
1978	Conversion of the branch office into a private limited company
1983	Listing of our Company on BSE pursuant to an Initial Public Offering
1998	Commencement of operations in Mauritius
2000	Commencement of operations in Sri Lanka
2005	100% acquisition by Dubai Financial (LLC) of TCIM
2006	100% acquisition of TCI by our Company
2007	Merger of LKP with our Company
2008	Acquisition of 74.9% stake by TCUK and TCIM in our Company
2009	Issue of 50,650,699 shares through a rights issue by our Company
2010	Execution of a seven year arrangement with New Delhi International Airport
2010	Launch of nine foreign exchange and travel counters
2011	Signed an agreement for marketing and distribution of borderless prepaid multicurrency foreign exchange card
2011	Incorporation of TC Visa Services (India) Limited in Maharashtra, a wholly owned Subsidiary of Travel Corporation (India) Limited, which is a 100% Subsidiary of the Company.



Year	Achievement
2012	Acquisition of 76.81% stake by Fairbridge in our Company from Thomas Cook UK and TCIM and subsequent announcement of open offer.
2012	Incorporation of Thomas Cook Lanka (Private) Limited, a 100% Subsidiary of the Company.
2012	Launch of borderless prepaid multicurrency foreign exchange card
2013	Announcement of proposed acquisition of 74.85% stake by Our Company in IKYA, a human resources solutions company

### ***Awards and Recognitions during 2011 -2013***

Our Company was granted the following awards and recognitions during the year 2011-2012:

1. "Favorite Specialist Tour Operator" award at the Condé Nast Traveller Readers' Travel Awards during 2011 and 2012.
2. CNBC AWAAZ - "Most preferred company providing foreign exchange" in 2011 in India.
3. 'Best Corporate Travel Management Company' 2012 by World Travel Brands.
4. 'Most Trusted Tour Operator Brand' by the Times Travel Honours for 2011
5. "Consumer Superbrand" 2011-2012 by Superbrands for 'Travel Smooth'.
6. The Brand Trust Report™, India study 2012, has ranked Thomas Cook (India) Ltd as The most Trusted Brand in travel services.
7. National Tourism Award for Tour Operator Promoting Niche Segments other than Adventure and MICE on March 18, 2013
8. Special award from the Ministry of Tourism for endeavors in launching 'New Tourism Products And Exemplary Performance during the year 2011-12'
9. National Tourism Award of Excellence: Best Tourism Promotion Publicity Material for 'Pure India – Luxurious Escapes' on March 19, 2013.
10. ET Now award for 'Retailer of the Year – Leisure & Holidays' for 2012.
11. The Center of Learning was certified as '2013 Top 10 South Asia IATA Authorised Training Center' by IATA Canada.

### ***Business of our Company***

Our businesses can be broadly categorized as travel and travel related services including foreign exchange, insurance, passport and visa processing services.

We believe that we are one of the leading integrated travel and travel related services companies in India, with a presence throughout the value chain of the travel and tourism industry. Within travel related services, we have five sub-segments i.e. outbound travel, inbound travel, domestic travel, MICE and corporate travel management. We provide end-to-end travel solutions including land, air and cruise bookings, hotel bookings, in-transit arrangements, local sightseeing, visa, passport and medical insurance assistance and such other destination management services. We also provide value added



services viz., customizing travel plans, travel arrangements for trade fairs, providing private air charter services, etc.

Our outbound and domestic travel businesses include selling holiday packages for travel overseas and in India respectively. Our inbound travel business represents destination management services, specializing in design and implementation of events, activities, tours, transportation and program logistics to tour operators across globe for tourists traveling to India. We design travel packages for both individuals and groups for their domestic as well as international leisure travel. As a part of our MICE services, we make travel arrangements for corporate clients to cater to their business meetings, conferences and events and as an incentive for their employees and business partners. We have a team of dedicated relationship managers for our corporate travel category to manage the diverse travel and foreign exchange needs of our corporate clients.

We believe that our Company is one of the largest bank note consolidators in the country which comprises of bulk sale/ purchase from banks/ FPMC's / RMC's. We also offer travel related foreign exchange and payment solutions like currency exchange, money transfer, remittance, travellers' cheques, pay order, wire-transfers, pre-paid foreign exchange cards and borderless multicurrency prepaid foreign exchange cards, currency buying and selling services to institutions such as banks, full fledged money changers and restricted money changers in accordance with Category II Authorised Dealer license granted by the RBI to our Company. We believe that we are one of the first non-banking companies in India to launch a multi-currency foreign exchange prepaid card.

As of March 31, 2013 our Company is present in over 250 cities in India (including 24 airport counters in India) supported by a partner network of 131 Gold Circle Partners and 165 preferred sales agents in over 150 cities across India.

We have a global presence with our operations in countries besides India through our Subsidiaries, branch offices and representatives. We have our Subsidiaries in India, Sri Lanka and Mauritius, branch offices in 5 countries and representatives in 5 countries. For further details on our Subsidiaries in India and overseas, please see "**Our Business**" page on 90 of this Offer Document.

For the Fiscal Years ended 2012 and 2011, the consolidated total revenue was ₹4,405,060,686 and ₹4,105,368,292, respectively, and our consolidated profit after tax for Fiscal Years 2012 and 2011 were ₹504,357,833 and ₹562,396,264, respectively.

We operate from India, Mauritius and Sri Lanka and operate in mainly six key verticals:

- **Travel Related Services:** Services which primarily includes:
  - *Outbound travel* –we provide outbound travel services through multiple channels to customers traveling to foreign countries from India;
  - *Inbound travel*–we provide inbound travel services to tourists/ travellers coming to India from foreign countries and mainly operate via two brands: "TCI" and "Thomas Cook";
  - *Meetings, Incentives, Conferences and Events* - one stop shop for all types of corporate events;
  - *Corporate travel* – we provide tailor made solutions for large, medium and small enterprises to ensure maximum return on the travel investment of such corporates.
  - *Domestic travel* – we provide a gamut of services to nationals traveling within the country;
- **Foreign Exchange Services:** We are a licensed Category II Authorized Dealer, allowed to operate certain businesses by the Reserve Bank of India for *inter alia* (i) retail purchases of foreign currencies and travellers' cheques; (ii) bulk purchases/ sales of foreign currencies from/ to authorized dealers, money changers and franchisees; (iii) release/ remittance of foreign exchange for certain specified activities; (iv) encashment of mail/ telegraphic transfers, demand



drafts and other instruments drawn on our Company; (v) collection of foreign currency instruments drawn on banks abroad; (vi) Indian rupee/ foreign currency advances against credit cards; (vii) maintenance of foreign currency accounts with banks abroad and undertaking forex cover operations in India and abroad, focusing on providing travel related foreign exchange and payment solutions to all our customers.

We operate from India, Mauritius and Sri Lanka and operate in mainly the following four segments:

- *Wholesale* –This segment comprises providing currency buying and selling services to institutions like banks (both public and private sector), FFMCs, RMCs etc.
- *Retail* – This segment relates to providing foreign exchange services to travellers’ visiting India or going out of India.
- *Airport* – We provide foreign exchange services at airport counters for with respect to which we have tied up with airports at Mumbai, Bangalore, Delhi, Cochin and Trivandrum, Mauritius and Sri Lanka.
- *Corporate* –This segment includes providing travel related and forex services to employees of corporates.
- **E- Business:** Our Company, through its online portal [www.thomascook.in](http://www.thomascook.in), offers a complete range of travel and travel related solutions to its customers. This includes a wide array of product options ranging from domestic as well as international destinations, worldwide network of hotels, airlines, travel insurance and promotional schemes. Further, our customers can also purchase foreign exchange via this online portal.
- **Insurance Services:** Our insurance business, which focuses on travel insurance, is carried out through TCISIL. TCISIL entered into insurance distribution in 2002 and is a corporate agent of Bajaj Allianz General Insurance Company Limited.
- **Visa and Passport Services:** The travel related services provided by our Company includes visa and passport related services through content site providing detailed information. This is open to internal and external customers with an online system tracker to trace various stages of documentation process and tie-ups with attorneys to service long term immigration visas/ work permits for corporates.
- **Centre of Learning:** Our Company has initiated a concept of ‘Centre of Learning’, the primary purpose of which is to develop talent for the organization as well as for the industry. For this purpose, our Company has tie ups with various knowledge partners which are mainly hotels and tourism boards. In 2012, the Center of Learning was certified as ‘2012 Top 10 South Asia IATA Authorised Training Center’ by IATA Canada.

**Key Business Drivers**

Travel		Travel related Services	
<b>Product Offering</b>		<b>Inbound/ Domestic</b>	Promote additional domestic tourist destinations
<b>Outbound Destinations</b>	Introduce new destinations for GIT and FIT	<b>Prepaid Cards</b>	Increase penetration, in particular retail pre-paid cards
<b>Outbound Packages</b>	Packages for niche holidays (e.g. cultural tours, religious tours etc.)	<b>Remittance/ Money Transfer</b>	Increase in retail penetration, introduce products and services of additional providers
<b>MICE Destinations</b>	Develop offerings in new destinations to differentiate		
<b>Source Markets</b>	Geographic expansion to cover all regions of India for MICE sales		



<b>Distribution</b>	<b>Retail</b>	Expand into second and third tier cities; increase footprint in strategic locations.
	<b>Online</b>	Continue to develop website functionality and content; leverage online platform for B2C and B2B

### Competitive Strengths

We believe that we have distinct competitive advantages in our business and operations.

- a. **Long-standing presence and in-depth knowledge of the travel services industry and leveraging advantages of scale:** Having commenced operations in 1881, we have built our presence and reputation over the last century. The experience and know-how garnered by us over this period is what makes us, today, one of the major players in both, travel related and foreign exchange services. This vast experience and know-how is what enables us to design and customise our travel solutions to meet varying customer requirements. We believe that given our long-standing presence and knowledge, we are one of the leading integrated travel and travel related services companies in India, we command significant volumes across the entire spectrum of the travel and travel related services industry and, therefore, are able to leverage our scale of operations to negotiate and obtain a better value proposition for our customers. As a result, we have highly competitive prices which enable us to increase our volume of sales.

Sr. No.	Name	Year of Joining	Designation	Total Experience (Years)
1.	Mr. Madhavan Karunakaran Menon	2000	Managing Director	33
2.	Mr. R. R. Kenkare	1998	President & Head- Legal & Company Secretary	25
3.	Mr. Madhav Pai	2009	Director & COO- Leisure Travel (Outbound)	27
4.	Mr. Ambreesh Mahajan	2012	President - Operations	26
5.	Mr. Debasis Nandy	2008	President & Chief Financial Officer	25
6.	Mr. Rajeev Kale	2007	Chief Operating Officer – MICE, Domestic, Sports and Cruises	22
7.	Mr. Amit Madhan	2012	Chief Operating Officer – IT & E-Services	12
8.	Mr. Surinder Singh Sodhi	2008	Senior Vice President – Leisure Travel (Inbound)	22
9.	Mr. Suraj Nair	2007	Senior Vice President – Strategy & Planning	19
10.	Mr. Abraham Alapatt	2012	Head - Marketing	18
11.	Mr. Adrian B Williams	2012	Head – Human Resources	19
12.	Mr. Mahesh Iyer	2007	Senior Vice President & Head, Foreign Exchange	21
13.	Mr. Prashant Narayan	1995	Vice President- Leisure Travel (Inbound)	17
14.	Mr. Indiver Rastogi	2008	Head – Global Enterprise Business	13



- b. **Strong brand equity and an entrenched franchise:** Our Company, having started its operations in 1881, is, today, one of the major players in both, foreign exchange and travel related services and is a well recognized and a strong brand. The many awards and recognitions won over the years is a testimony of this strength. We believe we enjoy leadership positions in our product portfolio, price, experience, customer loyalty, and operations and have set industry benchmarks. We believe our brand plays an important role due to the considerable trust it enjoys with our customers.
- c. **Highly qualified and motivated employee base and proven management team:** We are led by an experienced management group that has worked and has been associated with the travel industry for many years and has the required skill, expertise and vision to continue to expand our business in new markets. We believe that our management team is well placed to provide strategic leadership and direction to explore new emerging opportunities as well as constantly improve our current operations.

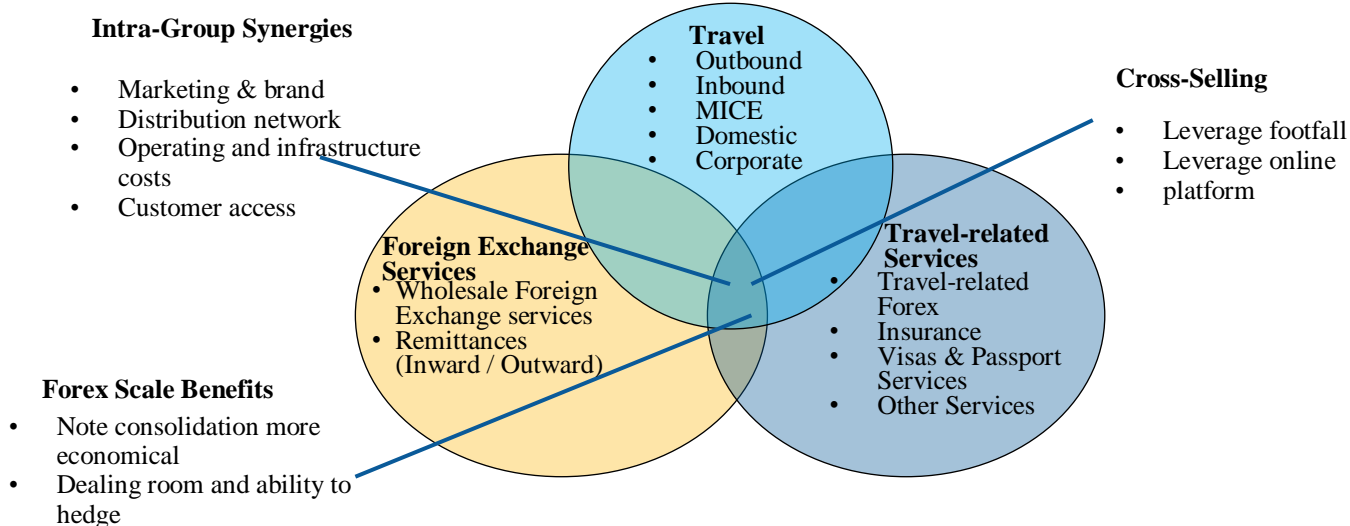
The average tenure of our senior management is approximately five (5) years. Our management has witnessed 3 transactions that have resulted in a change in ownership of our Company in the last seven (7) years (2006 to 2012) and nevertheless managed to double the revenues of our Company in a constantly changing environment.

The management team is ably led by Mr. Madhavan Karunakaran Menon, our Managing Director and a veteran of the travels and tourism industry, who has been with us for more than 12 years. Mr. Madhavan Karunakaran Menon has an in-depth understanding of the travel industry and foreign exchange business. The Board of Directors is supported by a team of professionals with several years of relevant experience. Most of our senior management have substantial experience in their respective domain areas and have been instrumental in the growth of our organization.

- d. **Integrated Provider of travel and foreign exchange related services:** Our Company is an integrated provider of travel and foreign exchange related services such as travel management, airline ticket and hotel booking, package tours, travel insurance, emergency services and providing foreign exchange to domestic and foreign tourists and business travellers as well as to other foreign exchange dealers. Our Company’s foreign exchange business synergizes with our travel business and therefore, augments the travel related services provided by our Company.

Our Company provides a one stop shop for all the travel requirements from visa to ticketing to holidays to insurance to foreign exchange under one roof. We believe that this cross selling of products is a unique selling proposition thereby, allowing us to meet all the travel needs of our customers, at optimal operational expenses and significant marginal realization. Our Company offers all its travel related as well as foreign exchange related services online by way of our portal [www.thomascCook.in](http://www.thomascCook.in). This allows our customers to avail of all our services and thereby address their travel needs at one single stop.

### Benefits of Operating A Fully Integrated Forex And Travel Platform





- e. **Leadership & highly differentiated presence in forex market:** We believe that our Company is one of the few non-bank companies to have been granted Authorised Dealer (AD - Category II) license by the RBI. We believe that this license, combined with a strong network, helps our Company to offer the widest possible range of products in a cost efficient manner. Over the years, we have been expanding our presence not only in major cities across India but also in Tier II and Tier III cities. As of March 31, 2013, we have 150 branch offices, 39 extension counters and 28 airport counters. Furthermore, we also depute certain of our personnel as 'implants' at the offices of certain corporate clients to cater to their foreign exchange requirements. We believe that our Company is one of the largest bank note consolidators in India and in 2012, we shipped bank notes worth approximately USD 1.38 billion from the country.
- f. **Wide distribution network with a strong domestic retail presence and overseas presence:** As on March 31, 2013, our Company is supported by a partner network of 131 Gold Circle Partners and 165 preferred sales agents in over 150 cities all over India. These provide a wide gamut of services which include holidays (domestic and international packages, individual and group tours), air travel and rail tickets, cruises, foreign exchange, travel insurance, visa and passport services. Our Company has set up and operates money exchange counters at strategic locations at various airport terminals. As on March 31, 2013, we have 24 counters at airport terminals at Mumbai, Bangalore, Delhi, Cochin and Trivandrum. In addition we operate two airport counters in each of Mauritius and Sri Lanka.

Our strong network of overseas offices / representatives and agents across 10 countries in the world gives us access to important geographies and markets from a customer acquisition perspective along with a strong network of dedicated ground operators world over giving us a distinct advantage to operate and manage a large customer base that buys travel services from our Company to travel across the world.

Our Company also has partnerships and collaborations including an alliance with Bajaj Allianz General Insurance Company Limited for underwriting of travel insurance.

Our Company has an international money transfer agreement by way of which our Company is authorized to provide money transfer services. Our Company has tie ups with certain Indian banks to facilitate money transfer in India.

Our Company has tie-ups with certain Indian hospitals to provide foreign exchange services to the patients/ doctors/ hospital authorities pursuant to which our Company has sales counters/implants inside hospital premises.

- g. **Established institutional customer base:** Some of India's banks in the public as well as private sector, and many FFMCs (Full Fledged Money Changers) and RMCs (Restricted Money Changers) are customers of our Company's wholesale forex services. We believe that the established customer base gives us significant competitive advantage over other players. It also provides stable revenue flows to our Company. We ensure repeat customer base, especially in relation to corporate clients pursuant to our MICE division and corporate travel management division.

### ***Strategy***

Our principal objective is to continue to build on our position as one of the leading integrated providers of travel and travel related services and foreign exchange services by leveraging on our existing network which will also enable us to cross sell our products. The key elements of our strategy to achieve this objective include:

- a. **Strengthen product offering online:** We are focused on extending our network infrastructure in both domestic and international locations. Our Company offers all its products online on a single platform, on our website - [www.thomascook.in](http://www.thomascook.in), being a holiday centric platform.

We intend to develop our online offering coupled with our customer relationship management system, loyalty rewards program and product design capability to provide a unique value proposition to our customers. We also intend to develop an integrated online payment gateway to enable upfront collections from our customers for the



products and services offered online.

This online platform will augment our strong pan-India store network, which would support sales of travel and foreign exchange related services/ products, thereby providing the optimal travel and foreign exchange related solutions to our customers and enabling us to provide a hybrid of online and offline services in accordance with applicable regulatory requirements.

We believe that with the rise in the number of internet users and better acceptability of the internet as a convenient medium for making travel related purchases, we would be well positioned to capture a whole new client base.

- b. **Expanding our customer base and leveraging our brand by growing the network of franchisee and preferred sales agents:** As of March 31, 2013, our Company is present in over 250 locations (including 24 airport counters in India) supported by a partner network of 131 Gold Circle Partners and 165 preferred sales agents spread across over 150 cities in India.

Our arrangements with our Gold Circle Partners are in the nature of exclusive franchisee arrangements, wherein we incur minimal expenses primarily towards deputation of certain key personnel at the premises of such Gold Circle Partners. As opposed to arrangements with our Gold Circle Partners, our arrangements with our preferred sales agents are not exclusive and we do not incur any significant expenses towards these arrangements.

Given the nature of our industry, it is imperative that in order to expand our business operations, we are able to have a wide geographic reach. We believe that our network of Gold Circle Partners and preferred sales agents enables us to achieve wide geographic reach without incurring any core expenses, for instance, establishment expenses. To accomplish this, we intend to leverage our long standing and established brand name and tie up with representatives, preferred sales agents and franchisees not only in India but also worldwide.

- c. **Exploring New Opportunities:** We offer complete travel solutions and serve as an integrated provider of all travel and travel related products. Our wide choice of product offerings caters to all the travel needs of an Indian and international traveller.

We continuously evaluate ideas that strategically fit our existing businesses and expand the products and services that we offer to our customers and our constant innovation in our product offering and flexibility to meet the ever changing aspirations of our customers are some of the key differentiating value propositions that has enabled us to grow the sale of our holiday packages. Our products and services are designed to suit the varying travel budgets of our customers, based on which we have developed and are in the process of promoting various destinations and developing new itineraries.

With respect to our foreign exchange services, we believe that we are one of the first non-banking companies in India to launch a multi-currency foreign exchange prepaid card and also provide overseas remittance facilities which has increased our reach and spread in the foreign exchange business. Towards increasing our foreign exchange product offering, we intend to continue to explore higher value added products to our customers with better margin realisations.

- d. **Tapping growing opportunity in domestic travel business:** The increase in disposable income across the middle-class in India and a greater willingness to undertake multiple travel breaks in a year within India has resulted in a growing opportunity in the domestic travel sphere. The increased publicity undertaken by state governments within India has also resulted in an increased awareness of domestic destinations to suit the duration and nature of the holiday. Such travel breaks were typically undertaken in the nature of “do-it-yourself” holidays, whereby OTAs were approached for base needs such as travel solutions and not for designing such holidays.

Based on the current increased propensity of Indians towards domestic holidays, we intend to tap such growing opportunities in the domestic travel business. As opposed to independent service providers in the domestic holidays’

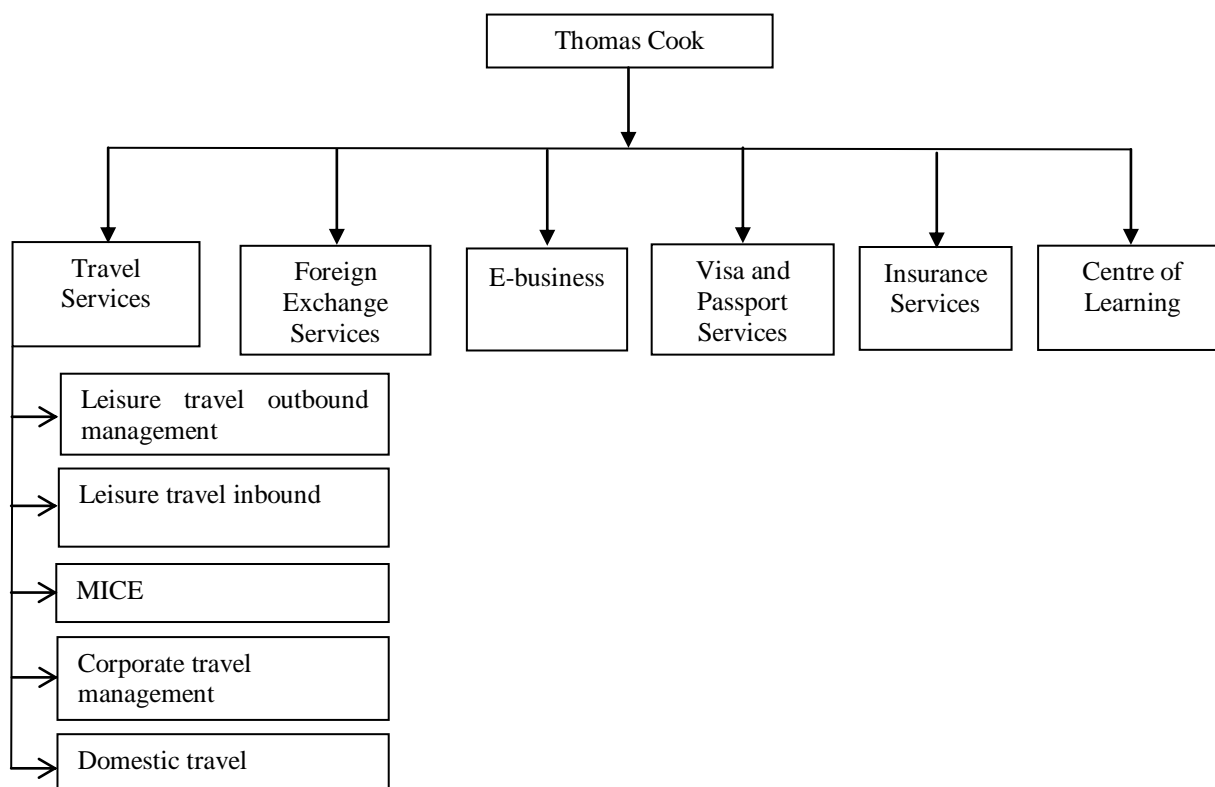


space, we believe that we add significant value by designing and customising our travel solutions to meet varying customer requirements.

Towards this end, we are in the process of setting up dedicated verticals, developing and strengthening itineraries and products and recruiting an experienced team. These initiatives, combined with our ability to consolidate volumes, will enable us to increase our sales in domestic travel and benefit from this growing opportunity.

- e. **Operational efficiency:** As of the date of this Offer Document, our Company has outsourced certain limited non-core activities. In order to enable our management to focus on development and expansion of our core activities, our Company intends to outsource a significant portion of its non-core activities. We believe that there are significant benefits in further outsourcing of our non-core activities, which could reduce our costs and increase operational efficiency.
- f. **Business expansion through strategic alliances / partnerships:** We continuously endeavor to propel our growth by identifying opportunities both organically and inorganically. This helps us to add more customers each year and better our service standards by providing customers with a wide choice of products and flexibility to meet their changing needs. We seek to further enhance our position by gaining access to newer markets / geographies and augment our product / service offerings through strategic acquisitions. Our growth strategy also involves gaining new clients and expanding our service offerings through strategic acquisitions of companies, which have expertise in the domain in which they operate and also have a good client base. Thus, we continue looking at organic and inorganic growth and may consider consolidating our market share through acquisitions if targets provide a strong strategic fit at a reasonable price. Our strategy is focused on up-market long haul tour operators whose product offerings include the Indian subcontinent and who complement our existing worldwide product portfolio enabling us to consolidate our sourcing needs, giving us better buying power and yield cost savings. This will fit into our strategy of offering both outbound and inbound services to our clients in each of the destinations that we operate in and will increase the pace of our growth, thereby enabling us to secure a higher volume of business.

***Our Business Model and Product / Service Offerings***





## *Our Operations*

### *a. Travel Related Services*

Our Company offers a wide range of travel and related services directly as well as through our Subsidiaries which include:

- i. **Outbound:** Outbound tourist refers to Indian nationals travelling out of India. We believe that our Company is one of the major outbound tour operators by sales and passengers and offers outbound tour packages across approximately 50 countries through multiple channels. We focus on product innovation and on long-haul routes which enable higher margins. Our outbound packages include various services like air tickets, cruises, rail tickets, visa, travel insurance, airport transfers, hotel accommodation, sightseeing, tour guides, fully independent tours, group tours etc. Outbound is further classified into following categories:

- Group Escorted Holidays.
- Customized Individual Holidays.
- Excursions (being trips/ tours for schools, clubs etc.).
- Cultural and religious tours.

Our Company often launches 'Road Shows' packages involving multiple cities to showcase popular tourist destinations at discounted prices for its customers. Our Company also grants sales promotions which include our recently launched 'Deal pe deal offer' / 'Holiday pe holiday free' / 'Holiday supermarket'. Our Company has introduced a youth centric travel package called 'Rock-On Holidays'. Our Company has also undertaken joint activities with various tourism boards to promote tourist destinations.

- ii. **Inbound:** Inbound tourist refers to tourists/ travellers coming to India. Our Company is among the top inbound players in the country and operates via two brands: 'TCI' and 'Thomas Cook'. TCI, one of the Subsidiaries is one of the leading players in inbound tourism. It has a widely distributed network and works closely with tour operators worldwide. It has 12 offices in India and a total of 6 offices in USA, UK, Germany, Spain and Japan and has representatives in China, Korea, Australia and Portugal.

As inbound tour operators, we promote India as a tourist destination. We organize tours for foreign tourist visiting India. We organize individual tours, group tours, charters and cruise ships ground operators and conferences. Services offered in inbound business include individual tours, group escorted tours, MICE, emergency medical assistance, airport transfers, excursions etc. Customers are typically individuals and groups which are sourced by overseas principals, tour operators or travel agents.

We also act as a ground handling agent domestically for charter flights coming from international destinations. We offer customized individual holidays, group escorted holidays, MICE (Meeting, Incentive, Conference and Exhibition) arrangements and emergency medical assistance. Inbound travellers handled by our Company are primarily from Europe, Japan, UK and USA. Our company enters into business arrangements with the foreign tour operators for servicing their customers when they arrive in India and the Indian sub-continent.

TCI specializes in special interest and incentive tours, conferences and air charter / cruise ship ground operations. It operates its own Taj Mahal Tour and Delhi City Tour and is a General Sales Agent for the Palace on Wheels and the Deccan Odyssey. We also have an arrangement to competitively offer four luxury trains, namely Royal Rajasthan On Wheels and The Golden Chariot for International travellers offering unparalleled opulence and exclusivity via a unique and regal rail travel experience of India.

- iii. **MICE:** Meetings, Incentives, Conferences and Exhibitions, better known as MICE, is a one stop shop for all travel needs of all type of corporate events i.e. air tickets, accommodation, event management, forex, visas, travel insurance etc. We also assist with special corporate events like business seminars, conferences as well as annual



corporate gatherings and offsites. We also enter into corporate arrangements in association with event management companies. Our key customers include corporates from pharmaceuticals, consumer durables, automotives and financial services.

- iv. **Corporate Travel Management:** We believe our Company is among major corporate travel players in India and is committed to providing tailor made solutions for large, medium and small enterprises and provides service ensuring maximum return on the travel investment of such corporates. Based on requirements and volumes of business, corporates are serviced either by having a dedicated relationship team visit the client's office regularly or having a dedicated and expert travel consultant located at the client's site as an 'implant'.

We not only provide travel services but also manage the travel budgets of several large national and multinational companies. Our large scale of operations enables us to effectively manage travel budgets of several large corporates. As on February 2013, our Company is providing integrated travel management/ advisory services to more than 200 clients.

Our Company provides the customers a complete basket of products for all their travel needs:

- Air reservations
  - Hotel reservations
  - Land arrangements which includes car rental, transfers etc.
  - Passport/visa service
  - Conference/incentive tour arrangements
  - Foreign exchange
  - Insurance
- v. **Domestic Travel:** Domestic Travel refers to Indian nationals (tourists, business travellers, students, leisure travellers) traveling within India. Various services offered that are accommodation, ticketing, round trip, excursions, land arrangements, airport transfer, etc. These services are procured from service providers like hotels, airlines, transporters, guides, etc. Our Company periodically launches/ markets products/ brand based lines like 'Travel Smooth' and Kaapi trail.

Given the growing opportunity, our Company is in the process of expanding its domestic travel services. To achieve such expansion, we have set up dedicated verticals, developed and strengthened itineraries and products, recruited an experienced team in this regard.

b. **Foreign Exchange Services**

Our Company is one of India's largest foreign exchange dealers in both wholesale and retail segments of the market. It is one of the few non-bank companies to have been granted an Authorised Dealer – Category II ("**Authorised Dealer**") license to deal in foreign exchange by the RBI ("**License**"). In this capacity, we provide foreign exchange and payment solutions for leisure and business travellers, students going abroad for higher studies, people travelling for employment, medical treatment, emigration etc.

Our Company has grown its business and expanded its product portfolio through an enhanced network and has further consolidated its position in the foreign exchange market. As an Authorized Dealer, we are a member of the Foreign Exchange Dealers Association of India. Further, the RBI, in 2011, gave its no-objection to our Company for issuance of prepaid foreign exchange travel card in any freely convertible currency subject to adherence of KYC norms.

Our Company has been granted the License to deal in foreign exchange through its designated branches. Under this License, we have been, *inter-alia*, granted permission to undertake the following activities which are carried out only at the specific locations as permitted by RBI:



1. Retail purchases of foreign currencies and travellers' cheques.
2. Bulk purchases/sales of foreign currencies from/to authorized dealers, money changers and franchisees.
3. Release / remittance of foreign exchange for the certain activities.
4. Encashment of mail/ telegraphic transfers, demand drafts and other instruments drawn on our Company.
5. Collection of foreign currency instruments drawn on banks aboard.
6. Indian rupee / foreign currency advances against credit cards.
7. Import and export of foreign currency and export of encashed travellers' cheques.
8. Maintenance of foreign currency accounts with banks abroad and undertaking forex cover operations in India and abroad.

Our forex business can be classified into three segments – Bulk (Wholesale), Retail and Corporate. Bulk segment comprises providing currency buying and selling services to institutions like banks (both public and private sector), FFMCs, RMCs etc. We believe that our Company is one of the largest bank note consolidators in the country which comprises of bulk sale/ purchase from such banks/ FFMC's / RMC's. Retail segment relates to providing foreign exchange services to travellers visiting India or going out of India. Corporate segment includes providing travel related and forex services to employees of corporates.

Our Company consolidates the offloaded currencies at a central place and then physically exports them to banks in other parts of the world to receive credit for the same in our Nostro accounts maintained with them. Our Company earns its revenue from the spread between the buy and sell rate for forex and commissions for its services. We continue to focus on growing business volumes, maintaining revenue yield and management of costs.

Details of the aforesaid segments are as set out hereunder:

Segments	Customers	Purpose	Characteristics
Wholesale	Institutions Bulk purchases and sales of foreign currencies from: <ul style="list-style-type: none"> <li>• Banks</li> <li>• Full fledged money changers</li> <li>• Restricted money changers</li> </ul>	<ul style="list-style-type: none"> <li>• Bulk note consolidation</li> <li>• Bulk sale</li> </ul>	<ul style="list-style-type: none"> <li>• High volume and low margin business</li> <li>• Extremely sensitive to market movements and pricing</li> </ul>
Retail	Individuals <ul style="list-style-type: none"> <li>• Walk-ins at shops and airports</li> <li>• Agents</li> </ul>	<ul style="list-style-type: none"> <li>• Foreign exchange for leisure outbound travellers.</li> <li>• Foreign exchange for migration, employment, medical treatment.</li> <li>• Remittances for students studying abroad, gift remittances etc.</li> <li>• Encashment services and inward remittances for inbound tourists visiting India, non resident / resident Indians.</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively price inelastic at airports</li> <li>• Some degree of elasticity at non-airport outlets</li> </ul>
Corporate	Travelling employees of corporate houses	<ul style="list-style-type: none"> <li>• Travel money and remittances for business</li> </ul>	<ul style="list-style-type: none"> <li>• Typically involves corporate clients from IT,</li> </ul>



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| travellers.<br><ul style="list-style-type: none"> <li>• On site support for tour conferences.</li> <li>• Film production houses travelling for shoots abroad.</li> <li>• Remittances of tour proceeds for tour operators.</li> </ul> | manufacturing and FMCG sectors<br><ul style="list-style-type: none"> <li>• Sensitive to global economic conditions</li> </ul> |
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Our business model revolves around leveraging our position as an Authorized Dealer with systems, ability and experience of handling large volumes of foreign exchange transactions for both wholesale and retail customers in a highly cost-efficient manner.

As an Authorised Dealer, our services includes wholesale and retail purchase and sale of currency notes, purchase and sale of travellers' cheques, pre-paid international cards, inbound and outbound remittances and money transfers. Our key products and services are:

Bank Notes	Buying and selling Export Services provided in 26 currencies
Pay Orders	Foreign currency pay order, available in 8 currencies
Traveller Cheques	American Express traveller cheques Provided in six currencies: USD, GBP, Euro, AUD, JPY, CAD
Prepaid foreign exchange Cards	Re-loadable and accepted at 1,000,000ATMs Denominated in USD, GBP, Euro, AUD, CAD, JPY, CHF and SGD
Inward and outward remittance	Person to person money transfer service Money can be sent in 120 currencies
Multicurrency foreign exchange card	Launched 8 currencies in 1 card

Our Company also has partnership for foreign exchange remittance. Our Company has foreign exchange counters at the international airports of Mumbai, New Delhi, Bangalore, Cochin and Trivandrum which are open 24 hours and 365 days a year to cater to the needs of the international travellers.

**c. E-business**

This segment of our business primarily involves our online portal which was launched in May 2008 – [www.thomascook.in](http://www.thomascook.in). This portal is a complete travel portal offering end-to-end travel solutions for our customers. All the services provided by our Company offline are available on this single online portal. With the increasing awareness of internet and the convenience it offers, a large number of consumers are adopting the online medium for research as well as purchase of travel & travel related services. This channel continues to be a focus area for growth for us and we have invested in building our online capabilities. We also provide an online self booking solution to Small & Medium Enterprises (SMEs). We have seen significant growth in this business in the last one year. We have tie ups with various suppliers, corporates and agents to facilitate the operation of this online portal.



d. **Visa and Passport Services**

Our Visa and Passport Services primarily include providing assistance in visa and passport related services with an online system tracker to trace various stages of documentation process and tie-ups with attorneys to service long term immigration visas/ work permits for corporates. We came into existence in June 2008 and are spread across four major locations in India: Delhi, Mumbai, Kolkata and Bengaluru. This is a one stop shop for all the passport and visa needs of our customers. Further, our Company is also exploring the potential in this business through its online platform.

We provide visa services for the following purposes:

- Business visa;
- Tourist visa;
- Student visa; and
- Work permit.

With respect to passport services, we provide the following services:

- Online as well as offline applications;
- Consultations on required documents; and
- Obtaining appointments for submission.

e. **Insurance Services**

Insurance business is carried out through our 100% Subsidiary – TCISIL. TCISIL entered into insurance distribution in 2002 and is a corporate agent of Bajaj Allianz General Insurance Company Limited. It offers the following products and services:

- 'Travel Elite'**: A travel insurance that provides a traveller an array of policies to choose from, with each policy customized to meet specific needs and caters to students, businessman, corporate executive, senior citizen or family.
- 'Travel Asia Policy'**: A comprehensive package which provides complete medical and health cover to individuals travelling to Asia.
- 'Travel Elite Corporate Insurance'**: A policy for corporate employees who are frequently travelling abroad. This is a comprehensive package which provides complete medical and health cover to the business traveller.
- Family Policies**: A policy designed to meet the needs of any resident Indian family that is travelling abroad.
- 'SWADES Yatra Travel insurance'**: A comprehensive policy for those travelling with friends or family.
- 'Student Elite Plan'**: A customized insurance policy for students travelling abroad and includes a trip abroad as well as health related needs during stay abroad.

TCI provides insurance products at all our outlets through its technology driven initiatives with an objective of building customer loyalty, leveraging on ability to do an intelligent cross sell of insurance products to our travel and forex customers.

f. **Centre of Learning / Diplomas / MBA in Tourism**

Our Company has a Center of Learning which is an initiative to develop talent for the organization as well as for the industry. To achieve its purpose, the Centre of Learning has tied up with various industry leaders who act as our



knowledge partners to impart training to students. The center of learning was also certified as '2013 Top 10 South Asia IATA Authorised Training Center' by IATA Canada. The Center of Learning is also involved in destination training and has been official training partner for certain tourism boards.

Our Company also offers a unique two year post graduate diploma in management in international business focusing on tourism. The Centre of Learning also has a tie up to offer a 2 year Distance Learning – MBA Tourism. Such tie up is the first and only non academic industry partnership offering the MBA – Tourism. The course curriculum is approved by a joint committee of DDE, AICTE, AIU and UGC.

### ***Global operations***

Our Company, in addition to its operations in India, has 6 offices in USA, UK, Germany, Spain and Japan and has representatives in China, Korea, Australia and Portugal.

Our Company has presence in Mauritius since 2000 through a 100% Subsidiary and 3 step down Subsidiaries. Our Company currently operates 15 offices in Mauritius, including an airport counter at SSR International Airport offering foreign exchange services.

Our Company had a presence in Sri Lanka since 2002 through a branch office and we have incorporated a 100% Subsidiary in Sri Lanka, to which the branch business was transferred in 2012. The business in Sri Lanka is growing on the lines of the local industry growth. The Subsidiary currently offers foreign exchange services from the arrival and departure lounges of the Bandaranaike International Airport, Colombo.

### ***Commercial property for business purposes***

Our Company has various owned/leased properties used for business and commercial purposes. From all the properties owned/leased by the Company, 15 are owned, 124 are leased/licensed. The key properties include:

#### **Owned Properties**

1. Thomas Cook (India) Limited. Gr. Floor Supermall, C. G. Road, Ahmedabad - 380 009.
2. Thomas Cook (India) Limited. Plot No. 520, Udyog Vihar, Gurgaon, 122 016 (Jointly owned by TCIL & TCI).
3. Thomas Cook (India) Limited, Alcon Chambers, Dayanand Bhandodkar Marg, Goa.
4. Thomas Cook (India) Limited, 19-B, Shakespeare Sarani, Kolkata.
5. Thomas Cook (India) Limited, 8, Corporate Park, Sion - Trombay Road, Chembur - 400 071.
6. Thomas Cook (India) Limited. Thomas Cook Building, 324, Dr. D. N. Road, Fort, Mumbai - 400 001.

#### **Leased Properties**

1. 70, M. G. Road, Bangalore - 560 001.
2. Palal Towers, 1<sup>st</sup> Floor, M. G. Rpad, Cochin - 682 016.
3. Nasir Arcade, 6-1-57, Saifabad, Hyderabad - 500 004.
4. G-4, El Dorado, 112, Nungambakkam High Road, Chennai - 600 034.
5. Ceebros Centre, 45, Montieth Road, Chennai.
6. C-35, Connaught Place, Inner Circle, New Delhi - 110 001.



7. SCO, 28 - 30, Sector 9-D, Chandigarh - 160 017.
8. Amar House, No, 268, Bhandarkar Road, Pune - 411 001.
9. Landmark Tower, Shop 1-3, Gr. Floor, Race Course Road, Barpda - 390 007.
10. Hitkari House, Gr. Floor, Shahid Bhagatsingh Road, Fort, Mumbai -400 001.
11. Gul Mohar Bldg, East Street, Pune - 411 001.

**Properties owned by TCI and used by both, our Company as well as TCI**

1. Heavitree, 47, Spurtank Road, Chennai
2. Chandermukhi, 1st floor, Nariman Point, Mumbai - 400 021.
3. Citicentre, Patto Plaza, Goa

***Intellectual Property***

The success of our Company depends, largely, on its ability to protect its current and future brands. Our Company owns various intellectual property rights, and in particular, trademarks and copyrights, which are considered to be of material importance to the success of our Company's business as the business is brand driven. As on January 31, 2013, our Company has 19 registered trademarks, 4 trademarks registered in the name of erstwhile LKP and 42 pending trademarks registrations. Of these registered trademarks, certain marks have been registered in multiple classes. As on March 31, 2013 we have 4 registered copyrights and 1 pending copyright registrations.

***Insurance***

Our Company has insurance coverage, which it considers adequate to cover all normal risks associated with the operation of the business. Our Company has availed the below mentioned insurance policies from various Insurance Companies all of which are valid and subsisting till date.

Our Company has obtained insurance policies for perils like fire, burglary, special contingent insurance and tour operators' liability for the period January 1, 2013 to December 31, 2013. Further the company has obtained policy for D&O Run Off Cover and D&O Way forward Cover for the period August 14, 2012 to August 13, 2013. Our Company has obtained public liability policy for the period January 30, 2013 to January 29, 2014 (DIAL) and April 21, 2012 to April 20, 2013 (MIAL). The Company believes that its current level of insurance coverage is in line with industry norms in India.

***Management Team and Employees***

As of April 5, 2013, our Company has 2,758 employees, out of which 14 are top level management personnel, 184 middle level management personnel, 2,506 are lower management personnel and 54 are clerical and subordinate personnel.

- a. **Recruitment Strategy:** Our recruitment strategy is to attract the best talent in the market by ensuring selection of staff with desired skill sets to suit the structure, culture and values of our Company. The quantum of recruitment is linked to budgeted vacancies and expansion plans. The selection process is stringent and encompasses multiple hurdles such as written test, group discussions, personal interviews and sometimes psychometric testing too. Pre-employment reference checks and medical tests ensure that only suitably fit personnel are taken on board. To develop talent at the frontlines, the Company recruits fresh graduates under a structured manpower development program called Thomas Cook Executive Trainee Program (TCETP). All the new recruits are given structured training inputs and after successful completion of training, they are absorbed in the Executive cadre of employees.



In our endeavor to build leadership at the Middle Management level, the Thomas Cook Middle Leadership Program (TCMLP) was conceptualized. This is a fast track growth program where young professionals with management qualification are trained in all the businesses of our Company, coached and suitably mentored to take on positions in the Middle Management of our Company within a year of joining.

- b. **Retention and Training Strategy:** Through a leadership assessment exercise, the Company has identified high caliber and potential employees to take over senior management positions in our Company in future. Compensation is a major driver of performance. Our Compensation is competitive and benchmarked with a select group of companies from the travel and tours sector. Our Company is committed to develop capabilities to enhance its leadership in the talent domain. Areas for focus have been leadership development, sales focus, business acumen and quality of service. To enhance business acumen of key performers, our Company offers fully sponsored Master's of Business Administration ("MBA") education for select employees. Our Company conducts "Voice of Employees", an employee engagement survey which brings to the fore key perceptions of employees, which are transformed to a concrete action plan.
- c. **Employee Relations:** Our relation with our employees continues to be peaceful and cordial. Our Company entered into a settlement with the internal workmen staff Union i.e. All India Tourist & Travel Employees Association for a period of three years, as per practice. Our Company is taking effective steps to meet the challenges of market opportunities, staying ahead of competition, upgrade technology, training and developing human resources. While we consider our current labor relations to be good, there can be no assurance that we will not experience future disruptions in our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

#### ***Internal Policies / Codes adopted by the Company***

The Company has devised various internal policies for administering and controlling the information flow. These include the following policies, which are binding on the management as well as the employees respectively:

- a. **Prevention of Insider Trading Policy** is based on the Model Policy devised by SEBI under SEBI (Prevention of Insider Trading) Regulations, 1992, as amended, for all the designated persons of the Company.

#### **Key Features**

- This policy was introduced on May 30, 2002 and the updated and current policy in force is dated October 29, 2012. Under this policy, we have appointed a 'Compliance Officer' who is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearing of certain persons (which includes the Directors, bankers, share transfer agents, sub-brokers, investment advisors and such other persons which may be notified by the compliance officer) and their dependent family members' trades, monitoring of trades and the implementation of our Company's Code under the overall supervision of the share transfer committee.
- The policy prohibits certain identified persons from passing on any price sensitive information that they may have in their possession. All such information directly received by an identified person from any source outside of the Company is required to be reported immediately to the compliance officer directly or through his/her head of department.
- The consequences of violation of this policy is disciplinary action by the share transfer committee of our Company which may include wage freeze, ineligibility for future participation in employees stock option plans, suspension, termination of employment/engagement and such other actions as may be deemed appropriate by the share transfer committee. Additionally, a penalty, as decided by the share transfer committee based upon the recommendation of the compliance officer may also be payable.



- b. **The Policy on Ethics and Integrity** puts down in detail the ethical values for each and every employee of the organization including employees of the Subsidiaries, in India and aboard.

#### **Key Features**

- The policy sets out details with respect to working with customers and suppliers, dealings with government agencies, relationship with competitors, working in the Company environment, personal integrity of employees.
  - For the purpose of this policy, our Company has corporate level Business Ethics and Integrity Compliance Review Committee which comprises of the Managing Director, Head - Human Resources, President and Head - Legal and Company Secretary, President and Chief Financial Officer. This committee sets compliance standards for the Company as a whole, and oversees the process for investigating reports of violations. The committee meets periodically, to review policy compliance issues and takes action necessary to resolve them.
  - Appropriate disciplinary action is taken against an employee who violates the policy which includes but is not limited to discharge of such employee.
- c. **The Whistle-Blower Policy** has been laid down with an objective to create an environment wherein an employee has easy access to raising a concern and his identity is also protected. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.

#### **Key Features**

- The malpractices covered under this policy include abuse of authority, breach of contract, manipulation of Company data/ records, financial irregularities, including fraud or suspected fraud, criminal offence, deliberate violation of law/ regulation, sexual harassment etc.
  - Genuine whistle blowers are accorded complete protection from any kind of unfair treatment and any abuse of this protection will warrant disciplinary action. However, whistle blowers, who make any protected disclosures, which have been subsequently found to be mala fide, frivolous or malicious shall be liable to be prosecuted under this policy.
  - The policy sets out the manner in which whistle blower may raise concerns. A quarterly report with number of complaints received under the policy and their outcome are placed before the audit committee.
- d. **The Fraud and Theft Policy** states that, if an employee believes that a fraud or theft or false accounting has occurred or is likely to occur, he/she has to immediately inform his or her line manager, irrespective of the value of theft or fraud involved.

#### **Key Features**

- Each line manager who is informed of such an incident or event must immediately inform in writing to his / her reporting manager, the President & Head – Legal & Company Secretary and to the Head – Internal Audit. The Head – Internal Audit is then required to, within a period of 24 hours inform in writing to the Managing Director and Chief Financial Officer.
- The President & Head – Legal & Company Secretary is required to inform the Chairman of the audit committee in certain instances which includes, any incident or event which is material in the context of profits, turnover or financial condition of the concerned segment, incident or event is of a value of ₹2,500,000 or more.

- The fraud reported is required to be completely investigated and results of the investigation are required to be placed before the Managing Director for suitable action. Depending on the nature of fraud, the insurance company may be intimated to claim fidelity/losses.
- e. **The Information Systems Security Policy** lays down framework and guidelines governing the usage of Information Technology in the Company as well its Subsidiaries. Significant changes taking place in the Information Systems and /or Technology that would affect the security and control perspective favourably / adversely and on any significant breaches of the security / security policy are monitored under this policy. A committee (**Information Systems Security Committee**) has overall responsibility for all areas concerning IT security.

#### Key Features

- This policy covers all information travelling over the Company and its Subsidiaries' networks, or stored or processed on its servers, workstations and other hardware components / accessories, all application systems (including third party systems / applications) used to process and store information and information entrusted by third parties, all computers, servers, workstations, communications equipment and their associated software that are used to deliver the above systems or are connected to them regardless of the physical location of the equipment, all personnel who are responsible for developing, implementing, maintaining, operating and using any of the above.
- The policy provides for an information security committee, to achieve its objectives, which constitutes of a nominated person from Information Technology (Rapporteur), the Head of IT, nominated person from business process improvement and audit, the Head – Internal Audit and nominated person from head of human resources, the Head - HR.
- The policy deals with all aspects of the Company and its Subsidiaries' information systems which includes hardware security and acquisition, physical and environmental security, intranet, internet security, direct remote access security, human security, system administrations etc.
- f. **The Anti Money Laundering Policy** lays down internal control procedures to ensure that the compliances of all rules and regulations including business processes are met. The Company has also adopted the system of Concurrent Audit in its branches in the foreign exchange business with effect from October 2003 as per the requirements of Reserve Bank of India. The objective of this policy is to prevent the system of purchase and / or sale of foreign currency notes/ travellers' cheques by authorised persons from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities.

#### Key Features

- This policy is a comprehensive manual on Know Your Customer Norms/ AML Standards/ Combating the Financing of Terrorism.
- The policy prohibits anonymous or fictitious / *benami* transactions and therefore requires that every authorized dealer should develop a clear customer acceptance policy laying down explicit criteria for acceptance of customers. Such customer acceptance policy is required to clearly set out the parameters of risk perception to enable categorisation of customers into low, medium and high risk. The authorised persons are required to adhere to certain other formalities which include undertaking due diligence measures, procuring relevant documentation, preparation of profile for each customer etc.
- The policy *inter alia*, regulates the manner in which purchase and sale of foreign exchange from/ to customers as well as monetary transactions and attempted transactions.
- g. **Code of Conduct** has been formulated for the Board of Directors and Senior Management of the Company to



enhance the standards of ethical conduct and uphold these standards in day-to-day activities, to further achieve good corporate governance and to implement highest degree of transparency, integrity, accountability and corporate social responsibility in all its dealings. The Code is also put up on the Company's website: [www.thomascook.in](http://www.thomascook.in).

### ***Fairfax Policies***

Fairfax, being the holding company of our Promoter, has formulated certain policies which apply to all its subsidiaries, including our Company. In addition to our policies, as set out above, we need to comply with the following:

- a. **Code of Business Conduct and Ethics:** This code lays down guidelines with respect to honest and ethical conduct, financial records and periodic reports, conflict of interest when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her Fairfax work objectively, protection and proper use of corporate assets, confidentiality of corporate information, fair dealing, protection and proper use of corporate opportunities, compliance with laws, rules and regulations, reporting of violations of the code etc.
- b. **Whistleblower Policy:** The Code of Business Conduct and Ethics as set out above requires every director, officer and employee of Fairfax to report any violation of the Code which is known to or reasonably suspected by that individual. Directors, officers and employees must also report any other known or reasonably suspected improper conduct or incident, including any questionable accounting, internal accounting controls or auditing matters or potential violations of the law. The policy lays down reporting requirements, investigations in relation to such reports, retention of the reports etc.
- c. **Confidentiality And Trading Responsibilities Regarding Fairfax:** This policy deals with responsibility to maintain the confidentiality of internal information relating to Fairfax and its subsidiaries, and of the circumstances in securities should not be traded in. The policy lays down circumstances under which pre-approval is required for trading in securities, enforcement in case of violation etc.

### ***Contribution to Society***

The Company has set up a foundation – “*Thomas Cook Cares*” – which focuses on activities related to women empowerment, education, health, environment and wildlife and arts and crafts etc. This foundation is pending registration with the Charity Commissioner's Office. The Company will set aside ₹1,000,000 every year for social activities to be undertaken by this foundation. Five employees of the Company have been nominated as Trustees for this foundation.

The Company has undertaken the following activities for its corporate social responsibility:

- a. “Jeevan Jyot Centre” has been established in collaboration with Nirmala Niketan College of Social Sciences at Mumbai. This centre will be a strategic support center for people infected and affected by sexually transmitted diseases, chiefly AIDS. Thomas Cook Cares will support this cause by initially setting up the center in a busy locality Thomas Cook Cares has commenced “Vocational & Career Guidance” counseling for the youth affected / infected by HIV. The Legal Aid cell is now functional - free services provided three days a week. “Alternative Medicine / Therapy” is now being provided at the Centre (Homeopathic medicine).
- b. The Company continues to be an active core committee member of the Heritage Mile Association, which seeks to conserve and enhance the architectural beauty of structures in the Hutatma Chowk to C.S.T. area in Mumbai.

### ***Recent Developments***

#### ***Proposed Acquisition of IKYA***

Our Company and its Promoter, on February 5, 2013, signed investment agreements to acquire a 74.85% interest (on a fully diluted basis) in IKYA Human Capital Solutions Private Limited (“**IKYA**”) for consideration of ₹2,563,185,956.



As a result, upon the completion of this acquisition, IKYA will be a subsidiary of our Company. However, this potential acquisition is subject to customary closing conditions and requisite regulatory approvals. As a result, if these closing conditions are not fulfilled or if the requisite regulatory approvals are not received in a timely manner or at all, this acquisition will not be completed. Furthermore, the transaction documentation entered into by our Company in relation to this potential acquisition provides that our Company may, at its discretion, either complete the acquisition of IKYA by itself or through any of its affiliates, including our Company's promoter, Fairbridge Capital (Mauritius) Limited.

IKYA, India's leading human resources staffing solutions' company, offers specialized human resources services including search, recruitment, project based hiring, general and professional staffing, skill development, and facilities management to over 500 leading Indian corporate clients through 32 offices, with 1,400 core employees and about 55,000 associates deployed across 150 locations.

IKYA has been identified amongst India's Top 10 Hottest Start-ups in Business Today (May 2008 edition), nominated for outstanding leader in the Start-up category by Forbes Magazine (September 2011 edition) and Nominated for CII-Business Line Emerging Entrepreneur Awards 2012 (January 2012).

#### IKYA's Track Record of Growth and Profitability

(₹ in million)

	9M FY 2013	FY 2012	FY 2011
Net Revenue	907	936	439
EBITDA	356	267	84
Profit After Tax (before the minority interest)	256	88	29

#### IKYA's Associate Headcount

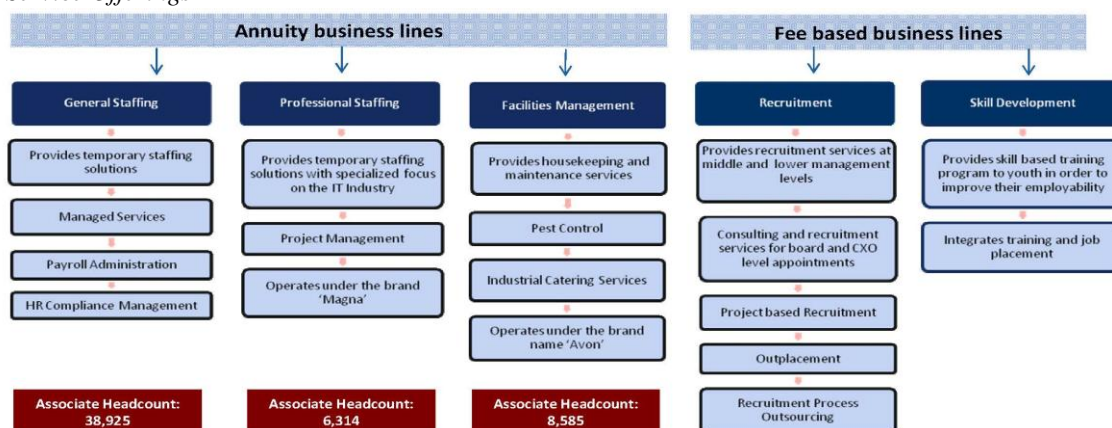
	9M FY 2013	FY 2012	FY 2011
Associate Headcount	53,824	42,751	25,776

Net Debt of IKYA (in INR million): As of December 31, 2012 was INR 270.97 million

#### Note:

1. IKYA's financial year (indicated as FY above) commences on April 1 and ends on March 31 of the next year.
2. All financial data above for FY 2011 and FY 2012 is based on IKYA's consolidated, audited accounts. However, the financial data for 9-month period of FY 2013, from 1 April, 2012 to December 31, 2012 (shown as 9M FY 2013) is based on IKYA's consolidated, unaudited accounts, prepared by IKYA's management and limited review has been done by IKYA's statutory auditors.

#### IKYA Service Offerings





## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Board of Directors

The Company's Articles of Association provide that the minimum number of Directors shall be three and the maximum number of Directors shall be 12. As of the date of this Offer Document, the Company has eight (8) directors. The Company may, subject to the provisions of the Articles of Association and the Companies Act, alter the minimum or the maximum number of Directors by approval of its shareholders, subject to approval of the Government, if the increase is beyond the maximum permissible limits under its Articles of Association as first registered.

Not less than two-thirds of the total number of Directors shall be elected Directors who are liable to retire by rotation. At the Company's annual general meeting, one-thirds of the Directors for the time being who are liable to retire by rotation shall retire from office. A retiring director is eligible for re-election. The Managing Director of the Company is not liable to retire by rotation. The Company's Articles of Association permit certain banks, government entities, financial institutions and other persons which are its lenders to appoint Directors to the Board while any loan amount remains outstanding to them from the Company. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength the number of remaining Directors present at the meeting, being not less than two, shall be the quorum.

The Company's Directors are not required to hold any Equity Shares to qualify to be a Director.

The following table provides information about the Company's current Directors as of the date of this Offer Document:

No.	Name, DIN, Term and Nationality	Age (Years)	Designation
1.	Mr. Mahendrakumar Sharma DIN: 00327684 Term: No fixed term, subject to retire by rotation Nationality: Indian	65	Non-Executive Chairman (Independent)
2.	Mr. Madhavan Karunakaran Menon DIN: 00008542 Term: Three years (commencing from March 1, 2012 till February 28, 2015) Nationality: Indian	58	Managing Director
3.	Mr. Chandran Ratnaswami DIN: 00109215 Term: No fixed term, subject to retire by rotation Nationality: Canadian	63	Additional Non-Executive Director
4.	Mr. Harsha Raghavan DIN: 01761512 Term: No fixed term, subject to retire by rotation Nationality: Indian	41	Additional Non-Executive Director
5.	Mr. Ramesh Amrut Savoor DIN: 00149089 Term: No fixed term, subject to retire by rotation Nationality: Indian	68	Non-Executive Director (Independent)



No.	Name, DIN, Term and Nationality	Age (Years)	Designation
6.	Mr. Krishnan Ramachandran DIN: 00193357 Term: No fixed term, subject to retire by rotation Nationality: Indian	63	Non-Executive Director (Independent)
7.	Mr. Uday Chander Khanna DIN: 00079129 Term: No fixed term, subject to retire by rotation Nationality: Indian	63	Additional Non-Executive Director (Independent)
8.	Mrs. Kishori Jayendra Udeshi DIN: 01344073 Term: No fixed term, subject to retire by rotation Nationality: Indian	69	Additional Non-Executive Director (Independent)

### Brief Profile of the Directors

**Mr. Mahendrakumar Sharma** joined the Company as a Director with effect from May 29, 2009 and has been appointed as the Non-Executive Chairman of the Company with effect from December 14, 2010. He is currently a director of ICICI Lombard General Insurance Co. Limited, Fulford (India) Limited, KEC International Limited, Wipro Limited, the Andhra Pradesh Paper Mills Limited, Asian Paints Limited, India Infradebt Limited and Indian School of Business.

**Mr. Madhavan Karunakaran Menon** was appointed as an Additional and Executive Director-Foreign Exchange for three (3) years with effect from March 1, 2000 to April 30, 2003 and was re-appointed for a further period of three (3) years with effect from May 1, 2003 to April 30, 2006. He was appointed as the Managing Director of the Company with effect from April 27, 2006 and was re-appointed for a further term of three (3) years with effect from May 1, 2009. He was recently re-appointed for a further term of three (3) years with effect from March 1, 2012 to February 28, 2015. He has a total experience of over thirty (30) years and his expertise spans over banking, finance and travel-related foreign exchange management. His responsibilities in the Company include achievement of planned revenues through business development and growth. He is currently director of Thomas Cook Insurance Services (India) Limited, Thomas Cook Tours Limited, Indian Horizon Travel & Tours Limited, Thomas Cook (Mauritius) Holding Co. Limited, Thomas Cook (Mauritius) Operations Co. Limited, Thomas Cook (Mauritius) Holidays Limited, Thomas Cook (Mauritius) Travel Limited, Cedar Management Consulting Private Limited, Travel Corporation (India) Limited, TC Visa Services (India) Limited and Thomas Cook Lanka (Private) Limited.

**Mr. Chandran Ratnaswami** joined the Board of the Company with effect from August 22, 2012. He is the Managing Director of Hamblin Watsa Investment Counsel Limited, a wholly owned investment management company of Fairfax Financial Holdings Limited. He is currently director of India Infoline Limited, ICICI Lombard General Insurance Company Limited, Fairbridge Capital Private Limited, Larchmont Developers Private Limited, Ridley Inc. Zoomermedia Limited, Canada, CEPL Limited, First Capital Insurance Limited, HWIC Asia Fund, Mauritius, O.R.E Holdings Limited, FAL Corporation, Gulf Insurance Corporation, Thai Reinsurance Public Company and Fairfax Asia Ltd Corp.

**Mr. Harsha Raghavan** joined the Company as a Director with effect from August 22, 2012. He is currently the managing director of Fairbridge Capital Private Limited, director of Thomas Cook (Mauritius) Holding Co. Limited, Thomas Cook (Mauritius) Operations Co. Limited, Thomas Cook (Mauritius) Holidays Limited, Thomas Cook (Mauritius) Travel Limited and Partner in Steer Capital LLP.

**Mr. Ramesh Amrut Savoer** was appointed as a Director of the Company with effect from May 29, 2009. He is currently director of E.I.D Parry India Limited, Automotive Stampings & Assemblies Limited, Divgi Warner India Private Limited, Tata Autocomp Systems Limited and Parry Infrastructure Co. Private Limited.



**Mr. Krishnan Ramachandran** joined the Company as a Director with effect from May 29, 2009. He is currently director of Cerebrus Consultants Private Limited, Infotech Enterprises Limited and Birla Institute of Technology & Science Company.

**Mr. Uday Chander Khanna** joined the Board of the Company with effect from October 29, 2012. He is currently director of Lafarge India Private Limited, Bata India Limited, Castrol India Limited, Pfizer Limited, Coromandel International Limited and DSP BlackRock Investment Managers Pvt. Ltd.

**Mrs. Kishori Jayendra Udeshi** joined the Company as a Director with effect from January 25, 2013. She is currently director of Haldyn Glass Limited, HSBC Asset Management (India) Private Limited, ION Exchange (India) Limited and Shriram Transport Finance Co. Limited. She is also a nominee director at Security Printing & Minting Corporation of India Limited.

#### ***Borrowing Powers of the Board***

In terms of the Articles of Association, the Board may, from time to time, at its discretion raise or borrow any sum or sums of money for the purposes of the Company and subject to the provisions of the Companies Act may secure payment or repayment of the same in such manner and terms as prescribed by the Board. The shareholders of the Company have, by way of ordinary resolution passed by Postal Ballot passed on August 31, 2006, resolved that pursuant to provisions of Section 293(1)(d) of the Companies Act, the Board is authorised to borrow amounts up to an aggregate amount of ₹5,000,000,000.

#### ***Shareholding of Directors***

The following table sets forth the number of Equity Shares held by and the stock options granted to the Directors as of December 31, 2012:

<b>Name</b>	<b>Number of Equity Shares</b>	<b>Percentage (%)</b>	<b>Number of employees stock options granted under TCIL ESOP</b>	<b>Number of stock options granted under SAYE Scheme 2010</b>
Mr. Madhavan Karunakaran Menon	Nil	Nil	455,500	16,500
Mr. Uday Chander Khanna	Nil	Nil	Nil	Nil
Mr. Chandran Ratnaswami	Nil	Nil	Nil	Nil
Mr. Ramesh Amrut Savoor	Nil	Nil	Nil	Nil
Mr. Krishnan Ramachandran	Nil	Nil	Nil	Nil
Mr. Mahendrakumar Sharma	Nil	Nil	Nil	Nil
Mrs. Kishori Jayendra Udeshi	Nil	Nil	Nil	Nil
Mr. Harsha Raghavan	Nil	Nil	Nil	Nil



## Compensation of Directors

### Executive Directors

The following tables set forth the compensation paid/payable by the Company to its Executive Directors for the Financial Year ended December 31, 2012:

Name of Director	Designation	Basic Salary (In ₹)	Perquisites and Allowances (In ₹)	Provident Fund (In ₹)	Others (In ₹)	Total (In ₹)
Mr. Madhavan Karunakaran Menon	Managing Director	8,283,650	11,637,066	994,042	-	20,914,758
Mr. Vinayak K. Purohit*	Executive Director – Finance	6,423,202	10,261,104	770,781	-	17,455,087
Mr. Rakshit Desai**	Executive Director – Foreign Exchange	10,803,840	19,212,981	1,296,456	-	31,313,277

\*Resigned with effect from close of working hours on August 17, 2012

\*\*Resigned with effect from close of working hours on July 16, 2012

Gratuity is contributed for the Company as a whole and hence excluded.

The following tables set forth the compensation paid/payable by the Company to its Non-Executive Directors for the Financial Year ended December 31, 2012:

### Non-Executive Directors

Name	Commission (In ₹)	Perquisites (In ₹)	Sitting Fees (In ₹)	Total (In ₹)
Mr. Mahendrakumar Sharma	1,484,508	-	400,000	1,884,508
Mr. Uday Chander Khanna*	259,586	-	40,000	299,586
Mr. Chandran Ratnaswami**	-	-	-	-
Mr. Harsha Raghavan**	-	-	-	-
Mr. Ramesh Amrut Savoor	1,484,508	-	210,000	1,694,508
Mr. Krishnan Ramachandran	1,484,508	-	180,000	1,664,508
Mr. Hoshang S Billimoria***	1,484,508	-	430,000	1,914,508
Mr. Anant Vishnu Rajwade***	1,484,508	-	440,000	1,924,508

\*appointed with effect from October 29, 2012

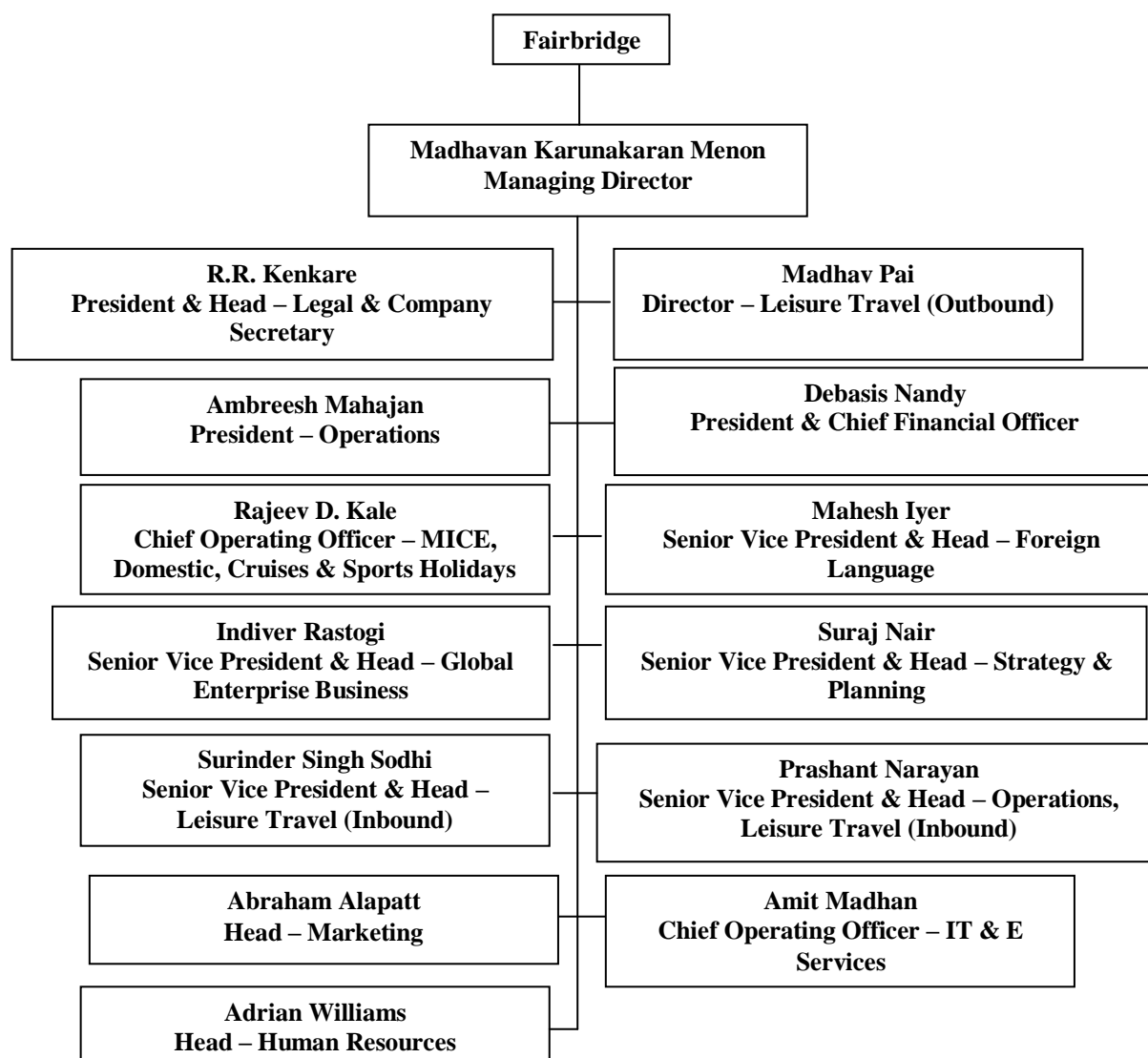
\*\*appointed with effect from August 22, 2012

\*\*\* Resigned with effect from close of working hours on December 31, 2012

### Prohibition by SEBI or Other Governmental Authorities

None of the Directors or the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

## Organisation Structure



### Key Managerial Personnel

The key managerial personnel of the Company, other than the Executive Directors, are as follows:

- Mr. R. R. Kenkare - President & Head – Legal & Company Secretary. He heads the legal, secretarial, regulatory compliance of our Company and Subsidiaries in India and oversees our foreign Subsidiaries.
- Mr. Madhav Pai – Director - Leisure Travel (Outbound). He manages product, operations, sales and contracting with respect to group tours, FIT and excursions undertaken by our Company.
- Mr. Ambreesh Mahajan – President – Operations. He manages operations, administration, service quality, internal audit of our Company.
- Mr. Debasis Nandy – President & Chief Financial Officer. He is responsible for the finance, accounts and taxation functions of our Company as well as its Subsidiaries, in India and abroad.



The following table sets forth the number of Equity Shares held by and stock options granted to the key managerial personnel:

Name	Designation	No. of options held as of March 31, 2013*	No. of Equity Shares held as of March 31, 2013
Mr. R.R. Kenkare	President - Head Legal and Company Secretary	844,938	5,379
Mr. Madhav Pai	Director - Leisure Travel (Outbound)	322,825	0
Mr. Ambreesh Mahajan	President – Operations	0	0
Mr. Debasis Nandy	President and Chief Financial Officer	254,125	0

\* This includes options granted under TCIL ESOP and TCIL SAYE.

### Corporate Governance

The Company complies with the applicable corporate governance requirements, including the requirements such as constitution of the Board and committees thereof under the Equity Listing Agreement.

Currently, the Board consists of eight Directors out of which seven are Non-Executive Directors and five are independent Directors. As the Chairman of the Company is a Non-Executive Director, at least one third of the Board is required to consist of independent directors, as required under the corporate governance norms provided in Clause 49 of the Equity Listing Agreement. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and proper constitution of committees of the Board. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

### Committees of the Board

As of the date of this Offer Document, there are four Board level committees in the Company, which have been constituted and which function in accordance with the relevant provisions of the Companies Act and the Equity Listing Agreement: (i) the Audit Committee; (ii) the Recruitment & Remuneration Committee; (iii) Share Transfer and Shareholders'/Investors' Grievance Committee; (iv) Sub-Committee; (v) IPP Committee; and (vi) Acquisition Committee.

The members of the aforesaid committees as of the date of this Offer Document are:

Committee	Members
Audit Committee	Mr. Uday Chander Khanna (Chairman), Mr. Mahendrakumar Sharma, Mr. Ramesh Amrut Savoor, Mr. Krishnan Ramachandran, Mr. Harsha Raghavan and Mrs. Kishori Jayendra Udeshi
Recruitment and Remuneration Committee	Mr. Ramesh Amrut Savoor (Chairman), Mr. Mahendrakumar Sharma, Mr. Krishnan Ramachandran and Mr. Harsha Raghavan
Share Transfer & Shareholder's/ Investors' Grievance Committee	Mr. Mahendrakumar Sharma (Chairman), Mr. Madhavan Karunakaran Menon, Mr. Harsha Raghavan and Mr. Uday Chander Khanna
Sub-Committee	Mr. Madhavan Karunakaran Menon and Mr. Harsha Raghavan
IPP Committee	Mr. Madhavan Karunakaran Menon, Mr. Mahendrakumar Sharma and Mr. Harsha Raghavan



Acquisition Committee	Mr. Mahendrakumar Sharma, Mr. Madhavan Karunakaran Menon and Mr. Harsha Raghavan
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### Interest of Directors and Key Managerial Personnel as of December 31, 2012

Particulars	Rupees ₹
Rent Expense:-	
Mrs. Lili Menon (Relative of Mr. Madhavan Karunakaran Menon)	1,926,000
Balances as at the year end -	
Deposit Receivable:-	
Mrs. Lili Menon	16,500,000

### Employees Stock Option Plans

#### *Thomas Cook Employees Stock Option Plan 2007 ("TCIL ESOP")*

In March 2007, we had instituted TCIL ESOP which provides that the maximum options granted under the TCIL ESOP shall not exceed 1,08,00,000 options, wherein one option shall be convertible into 1 Equity Share of the Company having a face value of ₹1 each. The TCIL ESOP will also be implemented for and on behalf of and at the request of Subsidiary companies of TCIL for the employees of the Subsidiary companies. Further, under the TCIL ESOP, we have the right to increase or reduce such number of shares as may be deemed fit. The Recruitment and Remuneration Committee determines detailed terms and conditions of TCIL ESOP. The options are granted to such participants as determined by the Recruitment and Remuneration Committee and the grant of options is communicated to the grantee in writing along with the exercise price and the closing date, whereby the closing date does not exceed 60 (sixty) days from the grant date.

The maximum number of options granted to a participant under the TCIL ESOP cannot exceed 2,000,000 options at the time of the grant of such options.

The unvested options shall vest in the participant in 3 equal annual installments on each of the anniversaries from the date on which the options have been granted to such participant. The exercise period is 10 years from the grant date within which the vested options can be exercised.

Details regarding the TCIL ESOP as on the date of this Offer Document are provided in the following table:

Sr. No.	Description	No. of Equity Shares
1.	Total number of options under the TCIL ESOP	10,800,000
2.	Options granted and accepted	6,801,988
3.	Options vested and exercisable	1,728,883
4.	Options exercised	1,725,665
5.	Options cancelled / forfeited	3,224,801
6.	Options unvested	670,914
7.	Total number of options outstanding	2,399,797

#### *Thomas Cook Save As You Earn Scheme 2010 ("TCIL SAYE")*

In December 2010, we had instituted TCIL SAYE to invite Eligible Employees to acquire the Shares by saving part of their salary on a regular basis. The TCIL SAYE will also be implemented for an on behalf of and at the request of Subsidiary companies of TCIL for the employees of the Subsidiary companies as authorized by our shareholders. Employees, who have completed 6 (six) months of service, unless the Committee decides otherwise, are entitled to participate in the TCIL SAYE. Further, the Recruitment and Remuneration Committee, at its own discretion, decides which employees or class of employees should be regarded as eligible employees under the TCIL SAYE and



accordingly, we extend an invitation to such eligible employees. The Recruitment and Remuneration Committee determines detailed terms and conditions of TCIL ESOP.

At the end of 3 years, employees have the option to either purchase specific number of equity shares of the Company at a predetermined exercise price or withdraw the monthly savings contributions along with the interest accrued. The maximum number of shares that can be issued/ transferred pursuant to the exercise of options granted to participants under the TCIL SAYE does not exceed 3,000,000 shares. Further, under the TCIL SAYE, we have the right to increase or reduce such number of shares as may be deemed fit. The options are granted to such participants as determined by the Recruitment and Remuneration Committee and the grant of such options is communicated to the grantee in writing along with the exercise price, the closing date and such other details.

The maximum number of options granted to a participant under the TCIL SAYE shall not exceed 200,000 (two lakh) shares.

The unvested options shall automatically vest with the participant at the end of the Contribution Period unless the compensation committee decides otherwise, subject to applicable laws provided the participant has continued the services till such date as well as continued to make monthly savings contribution without any withdrawal from the designated bank account. Contribution Period means a period being not less than 36 (thirty six) months as may be determined by the Recruitment and Remuneration Committee, commencing from the first day of the month in which the first monthly savings contribution is made by the participant under the savings contract and ending on the first day of the month following the month in which the final monthly savings contribution is or should have been made by the participant under the savings contract.



## PRINCIPAL SHAREHOLDERS

The shareholding pattern of the Company as of March 31, 2013 is as indicated in the table below:

Partly paid-up shares:-		No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company				
Held by Promoter / Promoters Group		0	0	0				
Held by public		0	0	0				
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>				
Outstanding convertible securities:-		No. of outstanding securities	As a % of total No. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities				
Held by Promoter / Promoters Group		0	0	0				
Held by public:								
319765 Class 'B' 0.001% Cumulative/Redeemable/Preference Shares of Rs. 10 each		3197650	<b>54.05</b>	<b>1.46</b>				
271800 Class 'C' 0.001% Cumulative/Redeemable/Preference Shares of Rs. 10 each		2718000	<b>45.95</b>	<b>1.24</b>				
<b>Total [See Sr.No.1 in Table I ( c ) ( i ) ]</b>		<b>5915650</b>	<b>100.00</b>	<b>2.70</b>				
Warrants:-		No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants				
Held by Promoter / Promoters Group		0	0	0				
Held by public		0	0	0				
Total paid-up capital of the company assuming full conversion of warrants and convertible securities *		<b>219,074,344</b>						
Category code (I)	Category of Shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialised form (V)	Total Shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a Percentage (IX)=(VIII) / (IV)*100
(A)	<i>Shareholding of Promoter and Promoter Group</i>							
(I)	<i>Indian</i>							
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0.00	0	0.00

(b)	Central Government / State Governments(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any other (specify)							
	Sub-Total (A) (1)							
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	2	185,653,725	185,653,725	87.10	87.10	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (A) (2)</b>	<b>2</b>	<b>185,653,725</b>	<b>185,653,725</b>	<b>87.10</b>	<b>87.10</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>2</b>	<b>185,653,725</b>	<b>185,653,725</b>	<b>87.10</b>	<b>87.10</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Public Shareholding</b>							
<b>(1)</b>	<b>Institutions</b>							
(a)	Mutual Funds / UTI	5	7,098	1,028	0.00	0.00		
(b)	Financial Institutions / Banks	9	25,857	20,847	0.01	0.01		
(c)	Central Government / State Governments(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	1	504,475	504,475	0.24	0.24		
(f)	Foreign Institutional Investors	2	18,975	15,395	0.01	0.01		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00		
(i)	Any Other (Specify)							



	Sub-Total (B) (1)	17	556,405	541,745	0.26	0.26		
(2)	<b>Non-Institutions</b>							
(a)	Bodies Corporate	765	2,378,914	2,359,334	1.12	1.12		
(b)	Individuals							
(i)	Individual Shareholders holding nominal Share Capital up to Rs.1 Lakh	34,491	23,939,303	21,275,149	11.23	11.23		
(ii)	Individual Shareholders holding nominal Share Capital in excess of Rs.1 Lakh	4	613,637	613,637	0.29	0.29		
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00		
(d)	Any Other (Specify)							
(i)	Trust	3	16,710	16,710	0.01	0.01		
(ii)	Directors & their relatives	0	0	0	0.00	0.00		
	Sub-total (B) (2)	35,263	26,948,564	24,264,830	12.64	12.64		
	Total Public Shareholding (B) = (B)(1)+(B)(2)	35,280	27,504,969	24,806,575	12.90	12.90		
	<b>TOTAL (A)+(B)</b>	<b>35,282</b>	<b>213,158,694</b>	<b>210,460,300</b>	<b>100.00</b>	<b>100.00</b>		
(C)	Shares held by Custodians against which DRs are issued (GDR)							
(1)	Promoter and Promoter Group	0	0	0		0.00		
(2)	Public	0	0	0		0.00		
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>35,282</b>	<b>213,158,694</b>	<b>210,460,300</b>		<b>100.00</b>		

\* 219074344 = 213158694 equity shares of Re. 1 each + 319765 Class 'B' 0.001% Cumulative Convertible/ Redeemable Preference Shares of Rs. 10 each convertible into 3197650 equity shares of Re. 1 each [subject to occurrence of the specified event per the terms of scheme of amalgamation of LKP Forex Limited] + 271800 Class 'C' 0.001% Cumulative Convertible/ Redeemable Preference Shares of Rs. 10 each convertible into 2718000 equity shares of Re. 1 each [subject to occurrence of the specified event per the terms of scheme of amalgamation of LKP Forex Limited]; Outstanding Convertible Securities do not include any stock options issued by the Company, whether vested or otherwise.

**(I) (b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"**

Sr. No. (I)	Name of the Shareholder (II)	Details of Shares Held		Encumbered Shares			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital (XII)
		Number of Shares held (III)	As a % of grand total (A)+(B)+(C) (IV)	No. (V)	As a percentage (VI)=(V)/(III)*100	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a) (VII)	Number of warrants held (VIII)	As a % total number of warrants of the same class (IX)	Number of convertible securities held (X)	As a % total number of convertible securities of the same class (XI)	
1	Fairbridge Capital Mauritius Limited	22182276	10.41	0	0.00	0.00	0	0.00	0	0.00	10.13
2	Fairbridge Capital Mauritius Limited	163471449	76.69	0	0.00	0.00	0	0.00	0	0.00	74.62
<b>TOTAL</b>		<b>185653725</b>	<b>87.10</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>84.74</b>

*(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares*

Sr. No.	Name of the Shareholder	Number of Shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in statement at para (I)(a) above}	Details of warrants		Details of Convertible securities		Total shares (including underlying shares assuming
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
								g

								full conversion of warrants and convertible securities) as a % of diluted share capital
1	L K P Merchant Financing Ltd	0	0.00	0	0.00	5915650	100.00	2.70
<b>TOTAL</b>		<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>5915650</b>	<b>100.00</b>	<b>2.70</b>

*(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the Company*

Sr. No.	Name(s) of the Shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of Shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in statement at para (I)(a) above}	Details of warrants		Details of Convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	





		etc.)								
	-----N.A.-----									
<b>TOTAL</b>										

<b>(III) (a) Statement showing the voting pattern of shareholders, if more than one class of shares / securities is issued by the issuer</b>						
Category code (I)	Category of Shareholder (II)	Number of Voting Rights held in each class of securities		Total Voting Rights (III+IV) (V)	Total Voting Rights i.e. (VI)	
		Class B (III)	Class C (IV)		As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>					
<b>(1)</b>	<b>Indian</b>					
(a)	Individuals / Hindu Undivided Family					
(b)	Central Government / State Governments(s)					
(c)	Bodies Corporate					
(d)	Financial Institutions / Banks					
(e)	Any Other (Trust )					
<b>Sub-Total (A) (1)</b>		<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>(2)</b>	<b>Foreign</b>					
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)					
(b)	Bodies Corporate					
(c)	Institutions					
(d)	Any Other (specify)					
<b>Sub-Total (A) (2)</b>		<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>		<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>(B)</b>	<b>Public Shareholding</b>					
<b>(1)</b>	<b>Institutions</b>					
(a)	Mutual Funds / UTI					
(b)	Financial Institutions / Banks					
(c)	Central Government / State Governments(s)					
(d)	Venture Capital Funds					
(e)	Insurance Companies					
(f)	Foreign Institutional Investors					
(g)	Foreign Venture Capital Investors					
(h)	Any Other (specify)					



<b>Sub-Total (B) (1)</b>		<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
(2)	<b>Non-Institutions</b>					
(a)	Bodies Corporate	319765	271800	591565.00	100.00	100.00
(b)	Individuals -					
I	Individual shareholders holding nominal share capital up to Rs. 1 lakh					
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh					
(c)	Any Other (specify)					
<b>Sub-total (B) (2)</b>		<b>319765</b>	<b>271800</b>	<b>591565.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>		<b>319765</b>	<b>271800</b>	<b>591565.00</b>	<b>100.00</b>	<b>100.00</b>
<b>TOTAL (A)+(B)</b>		<b>319765</b>	<b>271800</b>	<b>591565.00</b>	<b>100.00</b>	<b>100.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued					
<b>GRAND TOTAL (A)+(B)+(C)</b>		<b>319765</b>	<b>271800</b>	<b>591565.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Note</b>						
Class B Preference Shares = 0.001% Class B Preference Shares of Rs. 10 each fully paid-up.						
Class C Preference Shares = 0.001% Class C Preference Shares of Rs. 10 each fully paid-up.						



## ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares offered in the Issue. The Company and the Members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section, and is not liable for any amendment, modification or change in applicable laws or regulations, which may occur after the date of this Offer Document. This section applies to all Applicants. The Applicants are advised to inform themselves of any restrictions or limitations that may be applicable to them. Please see “**Selling Restrictions**” and “**Transfer Restrictions**” on pages 146 and 149 of this Offer Document. Applicants are advised to make their independent investigations and ensure that their applications do not exceed the Issue Size or the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

### **Authority for the Issue**

The Issue was authorised and approved by the Board of Directors through board meeting dated February 5, 2013, by the shareholders of the Company through extra-ordinary general meeting dated March 12, 2013.

The Company has applied for and received in-principle approvals from BSE and NSE on April 16, 2013, respectively, under Clause 24(a) of the Equity Listing Agreement for listing of the Equity Shares offered in the Issue on the Stock Exchanges. The Company has filed the Preliminary Offer Document with the RoC, SEBI and the Stock Exchanges on April 25, 2013.

### **Prohibition by SEBI or Other Governmental Authorities**

The Company, the Subsidiaries, the Promoter, the members of the Promoter Group, the Directors and the persons in control of the Company have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which the Promoter, the Directors or the persons in control of the Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

### **Restrictions on Issue Size**

Under Regulation 91-I of the SEBI Regulations, the aggregate of all tranches of the IPP undertaken by the Company cannot result in an increase in the public shareholding in the Company by more than 10% or such lesser percentage as may be required for the Company to achieve the required minimum public shareholding. However, our Company has been permitted to issue up to 34,379,606 Equity Shares (assuming the exercise of the Over Allotment Option in full), aggregating to 13.89% of the equity share capital of our Company.

### **SEBI Approval**

SEBI has, by way of its letter dated March 8, 2013, permitted the issuance of up to 34,379,606 Equity Shares by way of the Issue. Under the terms of this letter we are required to ensure that the Floor Price shall be a price not less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the BSE/NSE during the two weeks preceding the relevant date, which shall be the date of the meeting of our Board of Directors or a committee thereof which decides to open the Issue.

Further, SEBI has, by way of its letter dated April 15, 2013, permitted our Company to allot Equity Shares in the Issue to less than 10 Applicants, subject to a minimum of two investors, if the Issue Size is less than or equal to ₹2,500,000,000 or a minimum of five investors, if the Issue Size is more than ₹2,500,000,000.



## Who can Apply

This Issue is being made only to Eligible QIBs.

Only the following categories of QIBs are eligible to invest in this Issue:

- mutual funds registered with SEBI;
- foreign institutional investors and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- public financial institutions, as defined in Section 4A of the Companies Act;
- scheduled commercial banks
- state industrial development corporations;
- insurance companies registered with the Insurance Regulatory and Development Authority;
- provident funds with minimum corpus of ₹250,000,000;
- pension funds with minimum corpus of ₹250,000,000;
- National Investment Fund set up by resolution no.F.No.2/3/2005-DDII dated November 23, 2005 of the
- GoI published in the Gazette of India;
- insurance funds set up and managed by army, navy or air force of the Union of India; and
- insurance funds set up and managed by the Department of Posts, India.

**FII's are permitted to participate in the Issue only under the Portfolio Investment Scheme, subject to compliance with all applicable laws and such that the shareholding of the FII's does not exceed specified limits as prescribed under applicable laws in this regard.**

No single FII can hold more than 10% of the post Issue paid-up capital of the Company. In respect of a FII investing in the Equity Shares offered in the Issue on behalf of its eligible sub-accounts, the investment on behalf of each eligible sub-account shall not exceed 10% of the Company's total issued capital. **The aggregate FII holding in the Company cannot exceed the sectoral cap as may be prescribed by the Government/ relevant statutory authority from time to time.**

*Note:* Each eligible sub-account of a FII, other than a sub-account which is a foreign corporate or foreign individual, will need to submit separate ASBA Applications. FII's or sub-accounts of FII's, are required to indicate the SEBI FII/sub-account registration number in the ASBA Applications.

No Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being a Promoter or any person related to the Promoter(s). QIBs which have all or any of the following rights shall be deemed to be persons related to Promoter(s):

- a) rights under a shareholders' agreement or voting agreement entered into with a Promoter or persons related to the Promoter;
- b) veto rights; or
- c) right to appoint any nominee director on the Board.

Provided that a QIB which does not hold any Equity Shares and which has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to the Promoter.

**Applicants are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Applicants are advised to ensure that the number of Equity Shares for which they have provided ASBA Applications in the Issue does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Offer Document. Further, Applicants are required to satisfy themselves that their ASBA Applications would not result in triggering a tender offer under**



## the Takeover Regulations.

**A minimum of 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds and Insurance Companies, subject to receipt of valid ASBA Applications at or above the Clearing Prices, provided that if this portion or any part thereof to be Allocated and Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other Eligible QIBs. For further details, please see “Basis of Allocation”**

Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

No person connected with the Issue shall offer any incentive, direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Applicant for making an ASBA Application.

### *Number of Allottees*

Subject to what is stated below:

Eligible QIBs belonging to the same group or those who are under common control shall be deemed to be a single Allottee for the purpose of the foregoing.

- i. The expression belonging to the same group shall have the same meaning as companies under the same group’ as provided in sub-section (11) of Section 372 of the Companies Act:

Section 372(11) of the Companies Act - *For the purposes of this section, a body corporate shall be deemed to be in the same group as the investing company-*

- a. *if the body corporate is the managing agent of the investing company; or*
- b. *if the body corporate and the investing company should, in virtue of subsection (1B) of section 370, be deemed to be under the same management.”*

Under Section 370(1B) of the Companies Act, two bodies corporate are deemed to be under the same management if any of the following conditions are satisfied:

- (a) The managing agent, secretaries and treasurers, managing director or manager of one body corporate is the managing agent, secretary or treasurer, managing director or manager of the other body corporate or a partner in a firm acting as the managing agents or secretaries and treasurers of the other body corporate or a director of a private company acting as managing agent or secretaries and treasurers of the other body corporate;
  - (b) A majority of the directors of the one body corporate constitute or at any time within the immediately preceding six months have constituted a majority of the directors on the board of the other body corporate;
  - (c) Not less than one-third of the total voting power with respect to any matter relating to each of the two bodies corporate is exercised or controlled by the same individual or body corporate;
  - (d) The holding company of one body corporate is under the same management as the other body corporate within the meaning of (a), (b) or (c) above; and
  - (e) One or more directors of one body corporate hold, either by themselves or together with their relatives, the majority of the shares in the other body corporate.
- ii. The expression ‘control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations:

Regulation 2(1)(e) of the Takeover Regulations – *“control” includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert,*



*directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:*

*Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position.”*

The Company, in consultation with the Book Running Lead Managers, may choose to exercise the option to allot Equity Shares in the issue to less than 10 Allottees in accordance with the SEBI Approval. The minimum number of Allottees shall not be less than:

- (a) two, where the issue size is less than or equal to ₹2,500,000,000; and
- (b) five, where the issue size is greater than ₹2,500,000,000.

However, no single Allottee shall be allotted more than 50% of the Issue Size.

### **Minimum Application Size**

Each ASBA Application is required to be for such number of Equity Shares and at such price per Equity Share such that the minimum Application Amount exceeds ₹200,000.

### **Information for the Applicants**

- a. *Only ASBA mode of payment can be used by Eligible QIBs to participate in this Issue.*
- b. *The Company, in consultation with the BRLMs, will decide the Price Band for the Issue and the same shall be announced at least one day prior to the Issue Opening Date.*
- c. *The Company will publish the Issue Opening Date and the Issue Closing Date in the Price Band Announcement. The Issue Period shall be for a minimum of one Working Day and shall not exceed two Working Days.*
- d. *The Company has filed the Preliminary Offer Document with the RoC at least three days before the Issue Opening Date.*
- e. *Once a duly filled in ASBA Application is submitted by an Applicant, such ASBA Application constitutes an irrevocable offer and cannot be withdrawn. In addition, the price per Equity Share and/or the number of Equity Shares applied for in an ASBA Application cannot be revised downwards.*
- f. *The Company shall open the Public Issue Account with the Public Issue Account Bank in terms of Section 73 of the Companies Act to receive monies on the Designated Date from the ASBA Accounts.*
- g. *Upon the receipt of the ASBA Applications, the Company, after the closure of the Issue, shall determine the Clearing Prices for the Equity Shares offered in the Issue and the number of Equity Shares to be issued at the Clearing Prices, in consultation with the Book Running Lead Managers and in accordance with the Allotment Criteria. Upon finalisation of the Basis of Allocation, the Company will issue CANs to the successful Applicants. The dispatch of the CANs shall be deemed a valid, binding and irrevocable agreement on the part of the Applicant to subscribe to such number of Equity Shares as mentioned in their respective CANs at the Clearing Prices indicated in such CAN. The CAN shall contain details such as the number of Equity Shares Allocated to the Applicant and the Clearing Prices.*
- h. *The Company shall take all steps to ensure that listing and commencement of trading of the Equity Shares Allotted in the Issue at the Stock Exchanges is within 12 Working Days of the Issue Closing Date.*
- i. *The Company or the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. Applicants are advised to apprise themselves of the status of the receipt of the listing and trading approvals from the Stock Exchanges or the Company.*
- j. *The Company will issue a statutory advertisement after the filing of the Offer Document with the RoC in terms of Regulation 66 of the SEBI Regulations, in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation.*
- k. *In case of a Mutual Fund, a separate ASBA Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such ASBA Applications in respect of more than one scheme of the Mutual Fund will not be*



*treated as multiple ASBA Applications, provided that the ASBA Applications clearly indicate the scheme concerned for which it has been made. No Mutual Fund scheme can invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights. Further, no single Mutual Fund shall be Allocated and Allotted more than 50% of the aggregate number of the Equity Shares Allotted in the Issue.*

### **Pre-Issue Advertisement**

Subject to Section 66 of the Companies Act, the Company has, after registering the Preliminary Offer Document with the RoC on April 25, 2013, published a pre-Issue advertisement, in the form prescribed under the SEBI Regulations in all editions of Business Standard (a widely circulated English national newspaper), in all editions of Business Standard (a widely circulated Hindi national newspaper) and Nav Shakti (a widely circulated regional newspaper in Marathi).

### **ASBA Application and Revision Form**

The ASBA Application and the Revision Form shall be in the form prescribed by SEBI pursuant to the circular dated September 27, 2011, to the extent applicable to the Issue.

By making an application for the Equity Shares offered in the Issue through an ASBA Application, an Applicant will be deemed to have made the representations, warranties and agreements made under “**Representations by Investors**”, “**Selling Restrictions**” and “**Transfer Restrictions**”.

SCSBs would be entitled to a processing fee of ₹25 per valid ASBA Application collected by the Members of the Syndicate in the Syndicate ASBA Bidding Centres and submitted to the SCSBs. No selling commission is payable in respect of ASBA Applications procured in the Issue.

### **Method and Process of Bidding**

- a. ASBA Applications will be available with the SCSBs, the Members of the Syndicate (only in the Syndicate ASBA Bidding Centres) and at the Registered Office of the Company. Electronic ASBA Applications will be available on the website of the Stock Exchanges and the Designated Branches of the SCSBs.
- b. Any eligible Applicant may obtain a copy of the Preliminary Offer Document and the ASBA Applications from the Registered Office of the Company.
- c. Applicants should approach the Designated Branches of the SCSBs or the Members of the Syndicate (only in the Syndicate ASBA Bidding Centres) to submit their ASBA Applications.
- d. Applicants may submit their ASBA Applications, and / or the Revision Forms, during the Issue Period to (i) the Members of the Syndicate in the Syndicate ASBA Bidding Centres; (ii) the Designated Branches of the SCSBs where the ASBA Account is maintained; or (iii) in electronic form to the SCSBs with whom the ASBA Account is maintained. For details, the Applicants should contact the SCSBs where the ASBA Account is maintained. The SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or through any secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.
- e. ASBA Applications submitted directly to the SCSBs should bear the stamp of the SCSBs and the ASBA Application submitted to the Members of the Syndicate in the Syndicate ASBA Bidding Centres should bear the stamp of the Members of the Syndicate. Applicants also have an option to submit the ASBA Application in electronic form or submit ASBA Applications through the Members of the Syndicate in the Syndicate ASBA Bidding Centres.
- f. For ASBA Applications submitted to the Members of the Syndicate in the Syndicate ASBA Bidding Centres, the Members of the Syndicate shall upload the details of the ASBA Application onto the electronic bidding system of the Stock Exchanges and deposit a schedule (containing certain information including the ASBA Application number and the Application Amount) along with the ASBA Application with the relevant branch of the SCSB, named by such SCSB to accept such ASBA Applications from the Members of the Syndicate in such Specified City (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised->



Intermediaries). The relevant branch of the SCSB shall block an amount equal to the Application Amount specified in the ASBA Application in the ASBA Account. For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount equal to the Application Amount specified in the ASBA Application in the ASBA Account, before entering the required details of the ASBA Application into the electronic bidding system.

- g. The Applicant should mention its PAN allotted under the I.T. Act in the ASBA Application. Any ASBA Application without the PAN is liable to be rejected. Applicants should not submit the GIR number instead of the PAN as the ASBA Application is liable to be rejected on this ground.
- h. The Registrar to the Issue shall validate the details of the ASBA Application uploaded on the electronic bidding system of the Stock Exchanges with the Depository records and the complete reconciliation of the final certificates received from the SCSBs with the electronic details of the ASBA Applications.
- i. Applicants should note that in case the DP ID, Client ID and PAN mentioned in the ASBA Application and entered into the electronic bidding system of the Stock Exchanges by the Syndicate/ SCSBs do not match with the DP ID, Client ID and PAN available in the database of Depositories, the ASBA Application is liable to be rejected.**
- j. Each ASBA Application will give the Applicant the option to indicate prices within the Price Band, as the case may be, and specify the demand (i.e., the number of Equity Shares applied for at each such price). The number of Equity Shares applied for by an Applicant at or above the Floor Price, as the case may be, will be considered for Allocation and Allotment in accordance with the Basis of Allocation. The highest value indicated by the Applicant in the ASBA Application to subscribe for the Equity Shares applied for in the ASBA Application shall be blocked in the ASBA Account of such Applicant. After determination of the Clearing Prices, the maximum number of Equity Shares applied for by an Applicant at or above the Clearing Prices will be considered for Allocation and the rest of the options will become automatically invalid.
- k. The Applicant cannot submit another ASBA Application after one ASBA Application has been submitted to the SCSBs or any Members of the Syndicate. Submission of a second ASBA Application to either the same or to another SCSBs or any Member of the Syndicate will be treated as multiple applications and is liable to be rejected either before entering the required details of the ASBA Application into the electronic bidding system, or at any point of time prior to the Allotment of the Equity Shares offered in this Issue. However, the Applicant can revise the price per Equity Share or the number of Equity Shares applied for upwards through the Revision Form, the procedure for which is detailed under the paragraph titled "**Revision of ASBA Application**".
- l. Upon receipt of an ASBA Application from the Applicant, in physical mode, the Designated Branches of the SCSBs shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading details of the ASBA Application on the electronic bidding system of the Stock Exchanges.
- m. If sufficient funds are not available in the ASBA Account, the Designated Branches of the SCSBs shall reject such ASBA Application and shall not upload the details of the ASBA Application on the electronic bidding system of the Stock Exchanges.
- n. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application and will enter the details of the ASBA Application into the electronic bidding system and generate a TRS for each price and demand option. It is the Applicant's responsibility to obtain the TRS from the Members of the Syndicate or the Designated Branches of the SCSBs. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- o. The Application Amount shall remain blocked in the aforesaid ASBA Account until the finalisation of the Basis of Allocation, the dispatch of the CAN and consequent transfer of the Application Amount for the Allotted Equity Shares to the Public Issue Account from the ASBA Accounts, or alternatively, until the withdrawal of the Issue or the rejection of the ASBA Application, as the case may be. Once the Basis of Allocation is finalised and the CAN is dispatched, the Registrar to the Issue shall send an appropriate request to the SCSBs to unblock the relevant ASBA Accounts and to transfer the amount due on the Equity Shares to be Allotted to the successful Applicants to the Public Issue Account on the Designated Date.
- p. In case the Company withdraws or cancels the Issue, the Registrar to the Issue shall give instructions to the SCSBs to unblock the Application Amounts in the relevant ASBA Accounts of the Applicants within one day of receipt of such instruction. The Company shall also inform the Stock Exchanges of such cancellation or withdrawal.



## Electronic Registration of ASBA Applications

- a. The Stock Exchanges will offer an electronic facility for registering details under the ASBA Applications for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Issue Period. The Members of the Syndicate and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of details under the ASBA Applications, subject to the condition that they will subsequently upload the off-line data file into the electronic facilities offered by the Stock Exchanges. On the Issue Closing Date, the Members of the Syndicate and the Designated Branches of the SCSBs shall upload the details under the ASBA Applications on the electronic bidding system of the Stock Exchanges till such time as may be permitted by the Stock Exchanges.
- b. Each ASBA Application will give the Applicant the choice to apply for prices within the Price Band, as the case may be, and to specify the demand (i.e., the number of Equity Shares applied for) at each such price.
- c. With respect to details under the ASBA Applications submitted to the Members of Syndicate at the Syndicate ASBA Bidding Centres, the Members of Syndicate shall enter the following details in the electronic bidding system of the Stock Exchanges:
  - ASBA Application number;
  - PAN;
  - DP ID and Client ID number of the beneficiary account of the Applicant;
  - Application Amount;
  - ASBA Account number (not compulsory);
  - Category of the Applicant;
  - Numbers of Equity Shares applied for;
  - Price per Equity Share;
  - Bank code for the SCSB where the ASBA Account is maintained; and
  - Name of the Specified City.
- d. With respect to details under the ASBA Applications submitted to the SCSBs, the SCSBs shall enter the following details in the electronic bidding system of the Stock Exchanges:
  - ASBA Application number;
  - PAN;
  - DP ID and Client ID number of the beneficiary account of the Applicant;
  - Application Amount;
  - ASBA Account number;
  - Category of the Applicant;
  - Numbers of Equity Shares applied for; and
  - Price per Equity Share.
- e. TRS will be generated when the ASBA Application is registered for each price and demand option. The registration of the ASBA Application by the Member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be Allocated/Allotted either by the Members of the Syndicate or the Company.
- f. The Members of the Syndicate and the SCSBs will register the ASBA Applications received, using the electronic bidding system of the Stock Exchanges.
- g. The Members of the Syndicate and the SCSBs may undertake modification of selected fields in the details under the ASBA Application already uploaded within one Working Day from the Issue Closing Date.
- h. Neither the Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the ASBA Applications accepted by the Members of the Syndicate or the SCSBs, (ii) the details under the ASBA Applications uploaded by the Members of the Syndicate or the SCSBs, or (iii) the ASBA Applications accepted but not uploaded by the Members of the Syndicate or the SCSBs.
- i. The SCSBs shall be responsible for any acts, mistakes, errors or omissions and commissions in relation to (i) the ASBA Applications accepted by them, (ii) the details under the ASBA Applications uploaded by them, (iii) the ASBA Applications accepted but details not uploaded by them, and (iv) the ASBA Applications accepted and details uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for ASBA Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account and can be transferred



- to the Public Issue Account on the Designated Date.
- j. The permission given by the Stock Exchanges to use its network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company, the Members of the Syndicate or the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document; nor does it warrant that the Equity Shares offered in the Issue will be listed or will continue to be listed on the Stock Exchanges.
  - k. The aggregate demand shall be displayed by Stock Exchanges without disclosing the price.
  - l. Only those ASBA Applications details of which are uploaded on the electronic bidding system of the Stock Exchanges shall be considered for the Allocation and Allotment. Members of the Syndicate and the SCSBs will be given up to one Working Day after the Issue Closing Date to verify the DP ID and Client ID uploaded on the electronic bidding system of the Stock Exchanges during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchanges and will reconcile and validate the details of the ASBA Application uploaded on the electronic bidding system of the Stock Exchanges with the Depositories records. In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such ASBA Applications are liable to be rejected.
  - m. The details of the ASBA Applications uploaded on the electronic bidding system of the Stock Exchanges shall be considered as final and Allocation and Allotment will be based on such details.

### **Revision of ASBA Applications**

During the Issue Period, any Applicant who has submitted an ASBA Application subscribing to a specific number of Equity Shares at a particular price level may revise upwards the number of Equity Shares applied for and/or the price per Equity Shares within the Price Band, as the case may be, using the printed Revision Form, which is a part of the ASBA Application. **An ASBA Application cannot be withdrawn and the price per Equity Share and/or the number of Equity Shares applied for cannot be revised downwards.**

Upward revisions can be made in both the desired number of Equity Shares and the price per Equity Share by using the Revision Form. The Members of the Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

The Applicant can make this upward revision any number of times during the Issue Period. However, for any revision(s) in the ASBA Application, the Applicants will have to use the services of the same Member of the Syndicate or the SCSB through whom such Applicant had placed the original ASBA Application.

Applicants are advised to retain copies of the blank Revision Form and any revision in the ASBA Application must be made only in such Revision Form or copies thereof.

Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the options in his or her ASBA Application or earlier Revision Form. For example, if an Applicant has applied for three options in the ASBA Application and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

In case of revision of the number of Equity Shares and/or the price per Equity Share, the relevant SCSB shall block the additional Application Amount in the ASBA Account of such Applicant. The Registrar to the Issue will reconcile the ASBA Application data and consider the revised ASBA Application data for preparing the Basis of Allocation.

When an Applicant revises its ASBA Application, it should surrender the earlier TRS and request for a revised TRS from the Members of the Syndicate or the SCSB as proof of it having revised the previous ASBA Application.



## **Allocation**

Allocation to FIIs, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

A minimum of 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allotted to Mutual Funds and Insurance Companies, subject to valid ASBA Applications being received at or above the Clearing Prices, provided that if this portion or any part thereof to be Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other Eligible QIBs.

No single Allottee shall be Allotted more than 50% of the aggregate number of the Equity Shares Allotted in the Issue. See “*Number of Allottees*”.

## **Price Discovery**

Based on the demand for the Equity Shares offered in the Issue generated at various price levels, the Company, in consultation with the BRLMs, shall finalise the Clearing Prices.

The Clearing Prices shall be at or above the Floor Price and the Equity Shares offered in the Issue shall be Allocated and Allotted at the Clearing Prices.

## **Allotment Criteria**

The Equity Shares offered in the Issue will be Allocated and Allotted to successful Applicants as per the price priority method.

## **Basis of Allocation**

ASBA Applications received at or above the Clearing Prices shall be grouped together to determine the total demand for the Equity Shares offered in the Issue. The Allocation and Allotment to all successful Applicants will be made in the manner set out herein, at the Clearing Prices finalised by the Company, in consultation with the BRLMs.

Allocation to all Applicants shall be determined on a price priority basis such that all Applicants who have submitted valid ASBA Applications at or above the Clearing Prices shall be Allocated Equity Shares offered in the Issue at the Clearing Prices as per the Allocation criteria mentioned below, until the Equity Shares offered in the Issue are exhausted.

Please note that, in accordance with the applicable provisions of the SEBI Regulations, a minimum of 25% of the Issue Size is required to be Allotted to Mutual Funds and Insurance Companies. However, in the event that Mutual Funds and Insurance Companies do not subscribe to the minimum of 25% of the Issue Size or any part thereof, such portion of the Issue may be Allotted to other Eligible QIBs.

## **Price Priority Method**

The Allocation and Allotment shall be made on a price priority basis as explained below:

- (a) Applicants will be categorised according to the price within the Price Band at which the Application for any quantity of Equity Shares has been submitted;
- (b) Applicants who apply at the highest price within the Price Band shall be Allotted the Equity Shares applied for first, Applicants who apply at the second highest price within the Price Band shall be Allotted the Equity Shares applied for next and the price priority method of Allotment shall continue in this manner until all the Equity Shares to be issued pursuant to this Issue are exhausted, subject to demand from Eligible QIBs.



As a result, Applicants applying within the Price Band at the lowest Clearing Price shall be Allotted the Equity Shares on a proportionate basis based on the availability of an adequate number of Equity Shares at the lowest Clearing Price; and

- (c) If the Allotment to an Applicant is not a multiple of one Equity Share (which is the marketable lot), the decimal would be rounded off to the higher whole number of Equity Share(s) if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allocation and Allotment to all Applicants would be arrived at after such rounding off.

**THE DECISION OF THE COMPANY IN RESPECT OF ALLOCATION AND ALLOTMENT SHALL BE BINDING ON ALL APPLICANTS.**

**Issuance of the CAN**

- a) Upon approval of the Basis of Allocation by the Stock Exchanges and the dispatch of the CAN, the Registrar to the Issue shall send to the Book Running Lead Managers a list of the Applicants who would be Allotted Equity Shares in the Issue.
- b) The Company will then issue a CAN to the Applicants who have been Allocated Equity Shares in the Issue. (c) The dispatch of the CAN shall be deemed a valid, binding and irrevocable agreement on part of the Applicant to subscribe to the Equity Shares Allocated to such Applicant at the Clearing Prices.
- c) On the basis of the approved Basis of Allocation, the Company shall pass necessary corporate action for Allotment of Equity Shares in the Issue.

**RoC Filing**

The Company will update and deliver a copy of the updated Preliminary Offer Document for registration to the RoC in accordance with the applicable law, which then would be termed as the 'Offer Document'. The Offer Document will contain details of the Issue and will be complete in all material respects. The Company will register a copy of the Offer Document with the RoC in terms of relevant provisions of the Companies Act.

**Advertisement under Regulation 66 of the SEBI Regulations**

Subject to Section 66 of the Companies Act, the Company has, after registering the Preliminary Offer Document with the RoC on April 25, 2013, published a pre-Issue advertisement, in the form prescribed under the SEBI Regulations in all editions of Business Standard (a widely circulated English national newspaper), in all editions of Business Standard (a widely circulated Hindi national newspaper) and Nav Shakti (a widely circulated regional newspaper in Marathi).

**Designated Date and Allotment of Equity Shares offered in the Issue**

- a) The Company will ensure that (i) the Allotment of Equity Shares offered in the Issue; and (ii) credit to the successful Applicant's depository account will be completed within twelve (12) Working Days of the Issue Closing Date.
- b) In accordance with the SEBI Regulations, Equity Shares offered in the Issue will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- c) Allottees will have the option to re-materialise the Equity Shares so Allotted in the Issue as per the provisions of the Companies Act and the Depositories Act.
- d) In case of an over subscription to the Issue, an Allotment of not more than 3,125,418 Equity Shares may be made by the Company in consultation with the Book Running Lead Manager, under the Over Allotment Option. The Over Allotment Option shall be exercised by the Company on or prior to dispatch of CANs. The Allotment under the Over



Allotment Option shall not result in an increase in the public shareholding in the Company by more than such percentage as is required for the Company to achieve the required minimum public shareholding.

- e) The Equity Shares will be Allotted to at least 10 Allottees in this Issue. However, the Company may, in consultation with the BRLMs, choose to exercise the option to allot Equity Shares in the Issue to less than 10 Allottees pursuant to, and in accordance with, the SEBI Approval. In any event, no single Allottee shall be Allotted more than 50% of the Issue Size. For further details, please see “*Issue Procedure - Number of Allottees*” on page 129 of this Offer Document.

**Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.**

## GENERAL INSTRUCTIONS

- a) Check if you are eligible to apply;
- b) Ensure that the funds invested by you have been remitted into India from abroad, and, in this regard, you agree to provide such supporting documentation as may be required by the Company to establish the same, pursuant to any legal and/or regulatory requirements;
- c) Ensure that the price per Equity Share you have included in the ASBA Applications is a price per Equity Share at or above the Floor Price, as the case may be;
- d) Do not apply for or revise the prices indicated in the ASBA Application to a price higher than the Cap Price, if applicable;
- e) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares in the Issue will be in the dematerialised form only;
- f) Ensure that the ASBA Applications are submitted either to the Members of the Syndicate (only in Syndicate ASBA Bidding Centres) or at a Designated Branch of the SCSB where the Applicant or the person whose ASBA Account will be utilised by the Applicant for bidding has an ASBA Account;
- g) Ensure that the ASBA Application is signed by the account holder(s) or an authorised signatory on behalf of the account holder, in case the Applicant is not the account holder. Ensure that you have mentioned the correct ASBA Account number in the ASBA Application;
- h) Ensure that the ASBA Application is completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Application or in the Revision Form. Applicants should note that the Members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible ASBA Applications or Revision Forms;
- i) Ensure that you request for and receive a TRS for each of the options applied for in the ASBA Application; (i) Ensure that you have funds equal at least to the Application Amount in your ASBA Account maintained with the SCSB before submitting the ASBA Application to the respective Designated Branch of the SCS or the Member of the Syndicate in Syndicate ASBA Bidding Centres;
- j) Submit revised ASBA Applications to the same Member of the Syndicate/SCSB through whom the original ASBA Application was placed and obtain a revised TRS;
- k) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects; (l) Ensure that the name given in the ASBA Application is exactly the same as the name in which the beneficiary account is held with the Depository Participant;
- l) Ensure that the DP ID, the Client ID and the PAN mentioned in the ASBA Application and entered into the electronic bidding system of the Stock Exchanges by the Members of the Syndicate match with the DP ID, Client ID and PAN available in the Depository database;
- m) Ensure that you use the ASBA Application bearing the stamp of the relevant SCSB and/or the Designated Branch of the SCSB and/or the Member of the Syndicate (except in case of electronic forms);
- n) Applicants bidding through Syndicate should ensure that the ASBA Application is submitted to a Member of the Syndicate only in the Syndicate ASBA Bidding Centres and that the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has named at least one branch in the Syndicate ASBA Bidding Centres for the Members of the Syndicate to deposit the ASBA Applications;



- o) Ensure that in case of ASBA Applications made under power of attorney, relevant documents are submitted;
- p) Ensure that ASBA Applications submitted by Eligible QIBs resident outside India should be in compliance with applicable foreign and Indian laws;
- q) Ensure that you have correctly signed the authorisation/undertaking box in the ASBA Application, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the ASBA Application;
- r) ASBA Applications made on a repatriation basis shall be in the name of FIIs under the Portfolio Investment Scheme;
- s) Do not fill up the ASBA Application such that the number of Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; and
- t) Information provided by the Applicants will be uploaded on the electronic bidding system of the Stock Exchanges by the Members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make Allocation and Allotment. Please ensure that the details are correct and legible.

#### **Applicant's PAN, Depository Account and ASBA Account Details**

**Applicants should note that on the basis of PAN of the Applicants, DP ID and Client ID entered into the electronic bidding system of the Stock Exchanges by the Members of the Syndicate or SCSBs, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants' ASBA Account details, and PAN registered with the Depository (the "Demographic Details"). These Demographic Details would be used for processing, including identifying ASBA Applications to be rejected on technical grounds and unblocking of ASBA Account. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in unblocking of the ASBA Account at the Applicants sole risk and none of the BRLMs, the Registrar to the Issue, Members of the Syndicate, the SCSBs or the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the ASBA Application.**

#### **ASBA Applications**

The Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs. The Demographic Details given by Applicants in the ASBA Application would not be used for any other purpose by the Registrar to the Issue.

By signing the ASBA Application, the Applicant would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**The CAN will be mailed at the address of the Applicant as per the Demographic Details received from the Depositories or the email address provided by the Applicant in the ASBA Application. Applicants may note that delivery of the CAN may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Please note that any such delay shall be at such Applicant's sole risk and none of the Company, BRLMs, Member of the Syndicate or the Registrar to the Issue shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case no corresponding record is available with the Depositories, which matches the parameters, namely, PAN of the Applicant, the DP ID and Client ID, then such ASBA Application is liable to be rejected.**

#### **ASBA Applications made under Power of Attorney**

In case of ASBA Applications made pursuant to a power of attorney or by FIIs, Mutual Funds, Insurance Companies and provident funds with a minimum corpus of ₹250,000,000 (subject to applicable law) and pension funds with a minimum corpus of ₹250,000,000, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the ASBA Application.



In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to ASBA Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the ASBA Application.
- b) With respect to ASBA Applications by Insurance Companies, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the ASBA Application.
- c) With respect to ASBA Applications made by provident funds with a minimum corpus of ₹250,000,000 (subject to applicable law) and pension funds with a minimum corpus of ₹250,000,000, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the ASBA Application.

## **PAYMENT INSTRUCTIONS**

### **Payment mechanism for Applicants**

The Applicants shall specify the ASBA Account number in the ASBA Application. The SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the ASBA Application and each Applicant or the account holder shall be deemed to have agreed to block such amount. In case of revision of the number of Equity Shares applied for or the price per Equity Share, the SCSB shall block additional Application Amount in the ASBA Account of such Applicant and the Applicants or the account holder shall be deemed to have agreed to block such amount.

The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allocation in the Issue, dispatch of the CAN and consequent transfer of the Application Amount to the Public Issue Account, until rejection of the ASBA Applications or until withdrawal of the Issue, as the case may be. In the event of rejection of the ASBA Application or for unsuccessful or partially successful ASBA Applications, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant ASBA Account and the same shall be acted upon by the SCSB concerned within one Working Day of receipt of such instruction.

## **OTHER INSTRUCTIONS**

### **Multiple Applications**

An Applicant should submit only one (and not more than one) ASBA Application.

In case of a Mutual Fund, a separate ASBA Application may be made in respect of each scheme of the Mutual Fund and such ASBA Applications in respect of over one scheme of the Mutual Fund will not be treated as multiple ASBA Applications provided that the ASBA Applications clearly indicate the scheme concerned for which the ASBA Application has been made.

After submitting an ASBA Application, an Applicant cannot submit another ASBA Application, to either the same or another Designated Branch of the SCSB or Member of the Syndicate. Submission of a second ASBA

Applications in such manner will be deemed a multiple ASBA Application and would be rejected. However, the Applicants may revise their ASBA Application through the Revision Form, the procedure for which is described in "*Revision of ASBA Applications*" above.

Copies of ASBA Applications with the same PAN details shall be treated as multiple ASBA Applications and are liable to be rejected.

The Company, in consultation with the BRLMs, reserves the right to reject, in its absolute discretion, all or all except one



of such multiple ASBA Application(s) in any or all categories.

1. All ASBA Applications will be checked for common PAN as per the records of Depository. For Applicants other than Mutual Funds and FII sub-accounts, ASBA Applications bearing the same PAN will be treated as multiple ASBA Applications and will be rejected.
2. For ASBA Applications from Mutual Funds and FII sub-accounts which were submitted under the same PAN, the ASBA Applications will be scrutinised for DP ID and Client ID. In case applications bear the same DP ID and Client ID, these will be treated as multiple applications.

The Registrar to the Issue will obtain, from the depositories, details of the Applicant's address based on the DP ID and Client ID provided in the ASBA Applications.

## REJECTION OF ASBA APPLICATIONS

The Company has a right to reject the ASBA Applications based on technical grounds. The Designated Branches of the SCSBs shall have the right to reject ASBA Applications if at the time of blocking the Application Amount in the Applicant's ASBA Account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Applicant's ASBA Account maintained with the SCSB.

### *Grounds for Technical Rejections*

Applicants are advised to note that ASBA Applications are liable to be rejected *inter alia* on the following technical grounds and for any other reasons after assigning reason for such rejection in writing:

- a) ASBA Applications other than by Eligible QIBs.
- b) Incomplete ASBA Application. For instance, ASBA Application not having details of the ASBA Account to be blocked or not containing the authorisations for blocking the Application Amount in the ASBA Account specified in the ASBA Application;
- c) The amount mentioned in ASBA Application does not tally with the amount payable for the value of the Equity Shares applied for;
- d) PAN not mentioned in the ASBA Application;
- e) ASBA Applications made at a price per Equity Share less than the Floor Price or not within the Price Band, as the case may be;  
ASBA Application by Applicants whose demat account have been "suspended for credit" pursuant to the
- f) circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- g) Multiple ASBA Applications as explained in this Offer Document. See "***Other Instructions – Multiple ASBA Applications***";
- h) ASBA Applications are not delivered by the Applicants within the time prescribed as per the ASBA Applications, the Floor Price/Price Band Announcement and this Offer Document and as per the instructions in this Offer Document and the ASBA Applications;
- i) In case no matching or corresponding record is available with the Depositories that matches the DP ID and the Client ID;
- j) Inadequate funds in the ASBA Account to block the Application Amount specified in the ASBA Application at the time of blocking such Application Amount in the ASBA Account;
- k) ASBA Application submitted by Applicants to a Member of the Syndicate at locations other than the Syndicate ASBA Bidding Centres;
- l) ASBA Applications by persons in the United States – other than qualified institutional buyers as defined in Rule 144A of the Securities Act;
- m) ASBA Applications, details of which are not uploaded on the electronic bidding system of the Stock Exchanges; and
- n) ASBA Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.



## **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

The Allotment of Equity Shares in this Issue shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

Applicants can seek Allotment only in dematerialised mode. ASBA Applications from any Applicant without relevant details of its depository account are liable to be rejected.

- a) An Applicant applying for Equity Shares in the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the ASBA Application.
- b) Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant as provided in the ASBA Application.
- c) Names in the ASBA Application or Revision Form should be identical to those appearing in the account details in the Depository.
- d) The Applicant is responsible for the correctness of its Demographic Details given in the ASBA Application vis-à-vis those with its Depository Participant.
- e) The trading of the Equity Shares issued pursuant to the Issue of the Company would be in dematerialised form only for all Applicants in the demat segment of the Stock Exchanges.
- f) Non transferable CAN will be directly sent to the Applicants.
- g) The Company or the Members of the Syndicate will not be responsible or liable for the delay in the credit of the Equity Shares Allotted in the Issue due to errors in the ASBA Application or otherwise on part of the Applicants.

### **Communications**

All future communications in connection with ASBA Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the Applicant, ASBA Application number, the Applicants' Depository Account details, number of Equity Shares applied for, date of the ASBA Application, name and address of the Member of the Syndicate or the Designated Branch of the SCSBs where the ASBA Application was submitted and ASBA Account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Registrar to the Issue in case of any pre-Issue or post- Issue related problems such as non-receipt of the CAN, credit of Allotted Equity Shares in the respective beneficiary accounts etc. In case of ASBA Applications submitted with the Designated Branches of the SCSBs, Applicants can contact the Designated Branches of the SCSBs.

### **UNBLOCKING THE FUNDS**

The Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Application Amount specified in the ASBA Applications for rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date and the same shall be acted upon by the SCSBs within one Working Day of receipt of such instruction.

### **DISPOSAL OF ASBA APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall take all steps to ensure that listing and trading of the Equity Shares Allotted in the Issue at the Stock Exchanges commences within 12 Working Days of the Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- a) Allotment of Equity Shares in the Issue shall be made only in dematerialised form within 12 Working Days of the Issue Closing Date;



- b) Instructions for unblocking of the Applicant's ASBA Account shall be made within 12 Working Days from the Issue Closing Date; and
- c) The Company shall pay interest at 15% per annum for any delay, if Allotment is not made, funds in the relevant ASBA Accounts to the extent of the Application Amount specified in the ASBA Applications for rejected or unsuccessful or partially successful ASBA Applications are not unblocked and/or demat credits are not made to investors within the 12 Working Days.

## IMPERSONATION

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:**

*“Any person who:*

- a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”*

## Issue Programme

ISSUE OPENS AND ISSUE CLOSING ON	May 3, 2013
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Details of the Issue programme shall be disclosed in the Floor Price/Price Band Announcement. Investors should refer to the pre-issue advertisement and the Floor Price/Price Band Announcement for further details.

ASBA Applications and any revision in the ASBA Applications shall be accepted and uploaded only between 10 a.m.(Indian Standard Time, “IST”) and 5 p.m. IST during the Issue Period as mentioned above by the Members of the Syndicate at the Syndicate ASBA Bidding Centers and the Designated Branches of SCSBs as mentioned on the ASBA Application.

## Withdrawal of the Issue

The Company reserves the right to withdraw the Issue at any stage prior to Allotment. In such an event, the Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published. The Registrar to the Issue, shall issue instructions to the SCSBs to unblock the ASBA Accounts of the Applicants within one day of receipt of such instructions. The Company shall also inform the Stock Exchanges of such withdrawal.



## PLACEMENT AND LOCK-UP

### Issue and Placement Agreement

The Book Running Lead Managers have entered into the Issue and Placement Agreement with the Company, pursuant to which the Book Running Lead Managers have agreed to manage the Issue and use reasonable efforts to procure subscription for Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VIII-A of the SEBI Regulations.

The Issue and Placement Agreement contains customary representations and warranties, as well as indemnities from the Company and is subject to termination in accordance with the terms contained therein.

In case of over subscription in the Issue, the Company in consultation with the Book Running Lead Manager, can exercise the right to Allot up to 3,125,418 additional Equity Shares on or prior to dispatch of CANs.

The Company has received in-principle approvals from the Stock Exchanges under Clause 24(a) of the Equity Listing Agreement to list the Equity Shares being offered in the Issue on the Stock Exchanges. After Allotment of the Equity Shares pursuant to the Issue, applications shall be made to list the Equity Shares and admit them to trading on the Stock Exchanges. The Issue is subject to obtaining (i) the final approval of the RoC after the Offer Document is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after the Allotment.

In connection with the Issue, the Book Running Lead Managers (or their respective affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and issuance of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of P-Notes. See "*Offshore Derivative Instruments*".

From time to time, the Book Running Lead Managers and certain of their affiliates have provided and continue to provide commercial and investment banking services to us or our affiliates for which they have received and may in the future receive compensation.

### Lock-up

Our Company has agreed that it will not, for a period of 30 days from the date of the Offer Document, without the prior written consent of the Book Running Lead Managers, directly or indirectly, (a) offer, sell or announce the intention to sell, pledge, issue, contract to issue, grant any option, right or warrant for the issuance and allotment, or otherwise dispose of or transfer, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position with respect to, any Equity Shares or securities convertible into or exchangeable or exercisable for Equity Shares (including any warrants or other rights to subscribe for any Equity Shares), (b) enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Equity Shares, whether any such aforementioned transaction is to be settled by allotment of any Equity Shares, in cash or otherwise, or (c) publicly disclose the intention to make any such offer, issuance and allotment or disposition, or to enter into any such transaction, swap, hedge or other arrangement. However, our Company may issue and allot (x) Equity Shares pursuant to any employees stock option plan of our Company in effect on the date hereof, and our Company may issue Equity Shares, which may be issuable upon the exercise of existing options outstanding on the date hereof, in each case, as described in the Offer Document; (y) Equity Shares pursuant to conversion of the Preference Shares; or (z) such number of Equity Shares, as may be required to comply with the minimum public shareholding threshold prescribed under the Equity Listing Agreement.

The Promoter has agreed not to, for a period of 30 days from the date of the Offer Document, (a) directly or indirectly, issue, offer, lend, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to

sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing, (b) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention to enter into any such transaction, whether any such swap or transaction described in (a) or (b) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise, or (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or a deposit of Equity Shares in any depository receipt facility, or publicly announce any intention to enter into any such transaction. However, the restrictions contained in (a), (b) and (c) above shall not be applicable to (x) any issue, sale, transfer or disposition of Equity Shares by our Company to the extent such issue, sale, transfer or disposition is required by Indian law, including compliance with minimum public shareholding threshold prescribed under the Equity Listing Agreement; (y) any pledge with respect to the Equity Shares held by the Promoter; or (z) any *inter-se* transfer amongst the Promoter and Promoter Group, provided that the lock-up set out above shall apply to the transferee for the remaining period of the lock-up and the transferee shall be bound by the lock-up until such period has expired.

#### Inter-se Allocation of Responsibilities of the BRLMs

The following table sets forth the *inter se* allocation of responsibilities for various activities among the BRLMs for the Issue:

Sr. No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities	I-Sec and IIFL	I-Sec
2.	Due diligence of the Company including its operations, management, business plans, legal etc. Drafting and design of offer documents and other issue related material such as application forms etc. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of offer documents and the RoC filing.	I-Sec and IIFL	I-Sec
3.	Drafting and approval of all statutory advertisements	I-Sec and IIFL	I-Sec
4.	Review of other publicity material such as corporate advertisements, press releases, etc.	I-Sec and IIFL	IIFL
5.	Appointment of intermediaries, including the Public Issue Account Bank, the Registrar to the Issue, the printers, the advertising agency.	I-Sec and IIFL	IIFL
6.	International institutional marketing strategy, which will cover, <i>inter-alia</i> : Finalising the list and division of investors for one to one meetings Finalising the international road show schedule and investor meeting schedules	I-Sec and IIFL	IIFL
7.	Domestic institutional marketing strategy, which will cover, <i>inter alia</i> : Finalising the list and division of investors for one to one meetings Finalising the domestic road show schedule and investor meeting schedules Preparing road show presentation and frequently asked questions	I-Sec and IIFL	I-Sec



Sr. No.	Activities	Responsibility	Co-ordinator
8.	Pricing, managing the book and allocation	I-Sec and IIFL	IIFL
9.	Co-ordination with the Stock Exchanges for book building software and bidding terminals.  Post-bidding activities including management of escrow accounts, follow-up with SCSBs, Registrar to the Issue, co-ordination for allocation, demat delivery of Equity Shares, intimation of Allocation and dispatch of the CANs to Applicants etc. The Book Running Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.  The post Issue activities will involve essential co-ordination and follow up steps with the Stock Exchanges, which include the finalisation of listing and trading of Equity Shares.	I-Sec and IIFL	IIFL



## SELLING RESTRICTIONS

*The distribution of this Offer Document and the offer, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Persons who come into possession of this Offer Document are advised to take legal advice with regard to any restrictions which may be applicable to them and to observe such restrictions. This Offer Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorised or permitted.*

### **General**

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Offer Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Offer Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under “**Transfer Restrictions**” on page 149 of this Offer Document.

### **European Economic Area**

In relation to each Member State of The European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is or was implemented in that Relevant Member State (the “Relevant Implementation Date”), the Equity Shares may not be offered or sold to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and the 2010 Amending Directive, except that the Equity Shares, with effect from and including the Relevant Implementation Date, may be offered to the public in that Relevant Member State at any time:

(a) to persons or entities that are “qualified investors” as defined in the Prospectus Directive or, if that Relevant Member State has implemented the 2010 Amending Directive, as defined in the 2010 Amending Directive;

(b) to (i) fewer than 100 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive); or (ii) if that Relevant Member State has implemented the 2010 Amending Directive, fewer than 150 natural or legal persons (other than “qualified investors” as defined in the 2010 Amending Directive), in each case subject to obtaining the prior consent of the BRLMs.

(c) in any circumstances falling within Article 3(2) of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive, provided that no such offering of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State and the expression “2010 Amending Directive” means Directive 2010/73/EU and includes any relevant implementing measure in each Member State.

None of the Company or any of the Book Running Lead Managers has authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary on their behalf, other than offers made by the Company or the Book Running Lead Managers under the Issue.



### ***Hong Kong***

No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong by means of this Offer Document or any other document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (“Securities and Futures Ordinance”) and any rules made under that Ordinance, (b) to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or (c) in other circumstances which do not result in this Offer Document being a “prospectus” as defined in the Companies Ordinance, Chapter 32 of the laws of Hong Kong (“Companies Ordinance”) or which do not constitute an offer to the public within the meaning of the Companies Ordinance or an invitation to the public within the meaning of the Securities and Futures Ordinance. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance. This Offer Document and the Equity Shares have not been and will not be registered with the Securities and Futures Commission of Hong Kong and/or the Stock Exchange of Hong Kong. There are no public markets or platforms in Hong Kong for the purchase or disposal of the Equity Shares. If you are in doubt as to the contents of this Offer Document, you must immediately seek legal and investment advice from your solicitor, accountant and/or professional advisors.

### ***Mauritius***

The Equity Shares may not be offered, distributed or sold, directly or indirectly, to the public in Mauritius. Neither this Offer Document, nor any offering material or information contained herein relating to the offer of shares, may be released or issued to the public in Mauritius or used in connection with any such offer. This Offer Document does not constitute an offer to sell shares to the public in Mauritius. This Offer Document is not a prospectus.

### ***Singapore***

This Offer Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offer Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 274 of the Securities and Future Act (Chapter 289) of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Unless otherwise permitted under the SFA, where the Equity Shares are acquired by a person pursuant to Section 274 or 275 of the SFA, such Equity Shares shall not be transferable for six months after that person has acquired the Equity Shares, except (i) to another person who is an institutional investor or a relevant person, or (ii) pursuant to Section 275(1A) of the SFA.

Unless otherwise permitted under the SFA, where the Equity Shares are subscribed or purchased pursuant to Section 275 of the SFA by a relevant person who is:

- a corporation which is not an accredited investor (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except: (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on the terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such



amount is to be paid for in cash or by exchange of securities or other assets, in accordance with the conditions, specified in Section 275 of the SFA as applicable; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

***United Kingdom (in addition to European Economic Area restrictions, above)***

The Equity Shares cannot be promoted in the United Kingdom to the general public. The contents of this Offer Document have not been approved by an authorised person within the meaning of FSMA. Each of the Book Running Lead Managers (a) may only communicate or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the “FSMA”), to persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”), or (ii) fall within any of the categories of persons described in article 49(2)(a) to (d) of the Financial Promotion Order or otherwise in circumstances in which section 21(1) of the FSMA does not apply to the Company; and (b) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with, or relating to, the sale or purchase of any Equity Shares, may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply. It is the responsibility of all persons under whose control or into whose possession this document comes to inform themselves about and to ensure observance of all applicable provisions of FSMA in respect of anything done in relation to an investment in Equity Shares in, from or otherwise involving, the United Kingdom.

***United States of America***

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) pursuant to section 4(a)(2) of the Securities Act, and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of each jurisdiction where such offers and sales occur.

Each purchaser of the Equity Shares will be deemed to have made the representations, agreements and acknowledgements as described under “Transfer Restrictions”.



## TRANSFER RESTRICTIONS

**Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.**

The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges.

### U.S. Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

**Each purchaser of the Equity Shares in the United States is deemed to have represented, agreed and acknowledged as follows:**

- It (A) is a “qualified institutional buyer” (as defined in Rule 144A) and (B) is aware that the sale of the Equity Shares to it is being made in reliance on an exemption from the registration requirements of the Securities Act.
- It is acquiring the Equity Shares for its own account or for the account of one or more eligible U.S. investors (i.e., “qualified institutional buyers”, as defined above), each of which is acquiring beneficial interests in the Equity Shares for its own account.
- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Equity Shares have not been and will not be registered under the Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the Securities Act and other applicable securities laws, outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S, or in a transaction otherwise exempt from the registration requirements of the Securities Act.
- It understands and agrees that if it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares to eligible investors in the United States of America in accordance with the restrictions set forth herein, it shall obtain from the transferee a representation letter in substantially the same form as the representations in this section. Such a letter will not be required for a non-prearranged transaction executed on the BSE Limited or the National Stock Exchange of India Limited or any other recognized stock exchange where the Equity Shares are listed.
- It will deliver to the Company an exit letter upon the resale of the Equity Shares purchased in the Issue stating that the Equity Shares were sold in compliance with the above restriction.
- It will notify the executing broker and any other agent involved in any resale of the Equity Shares of the forgoing restrictions applicable to the Equity Shares and instructs such broker or agent to abide by such restrictions.
- It understands that the Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act.
- It acknowledges that if at any time its representations cease to be true, it agrees to resell the Equity Shares at the Company’s request.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the Book Running Lead Managers for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which



may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.

- It has been provided access to the Preliminary Offer Document and this Offer Document, which it has read in their entirety.
- It has been furnished with all information it deems necessary or desirable to evaluate the merits and risks of the acquisition of the Equity Shares and that the Company has made available to it or its agents all documents and information relating to an investment in the Equity Shares. In evaluating the suitability of an investment in the Equity Shares, it has not relied upon any other representations or other information (other than as contemplated by the preceding sentences), whether oral or written, made by or on behalf of the Company.
- It agrees to indemnify and hold the Company and each of the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the Book Running Lead Managers liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorized in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.
- It acknowledges that the Company and the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the Book Running Lead Managers.

**Each purchaser of the Equity Shares outside the United States is deemed to have represented, agreed and acknowledged as follows:**

- It is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S).
- It agrees that it will not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Rule 903 and 904 of Regulation S under the Securities Act or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the States of the United States and any other jurisdiction, including India.

It acknowledges that we, the Book Running Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify us and the Book Running Lead Managers. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above-stated restrictions will not be recognized by us.



## THE SECURITIES MARKET OF INDIA

*The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from SEBI, the BSE and the NSE, and has not been prepared or independently verified by the Company, the Book Running Lead Managers, the Members of the Syndicate or any of their respective affiliates or advisors.*

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai.

### Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Stock Exchange Division, under the SCRA and the SCRR. Various rules, bye-laws and regulations of the respective stock exchanges regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner in which contracts are entered into, settled and enforced between members.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and other intermediaries, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeovers of companies, buybacks of securities, employees stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authorities.

Most of the stock exchanges have their own governing board for self regulation. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

### Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the equity listing agreements of the respective stock exchanges. The governing body of each recognised stock exchange is empowered to suspend or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions under such equity listing agreement or for any other reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend such equity listing agreements and the bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "**Delisting Regulations**") in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Pursuant to an amendment of the SCRR in June 2010, all listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25% and have been given a period of three years to comply with such requirement.

Pursuant to a notification dated January 30, 2012 and a circular dated February 1, 2012, SEBI has introduced two new mechanisms for listed Indian companies and their controlling shareholders to meet minimum public shareholding requirements, i.e., (i) the institutional placement programme; and (ii) an offer for sale (secondary offering) by the promoters and promoter group through the relevant stock exchange.

On August 29, 2012, the Listing Agreement was amended to permit compliance with minimum public shareholding



requirements by way of rights issues or bonus issues, each to public shareholders, with the promoters / promoter group forgoing their respective rights entitlements or bonus entitlements, as the case maybe. Furthermore, this amendment permitted listed companies to approach SEBI for a relaxation from the available methods, or in relation to any other proposed method of compliance with the minimum public shareholding requirements. However, such requests would be considered on case to case basis based on merit.

### **Index-Based Market-Wide Circuit Breaker System**

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index -based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

### **BSE**

Established in 1875, the BSE is the oldest stock exchange in India. In 1956 it became the first stock exchange in India to obtain permanent recognition from the Government under SCRA. It has evolved over the years into its present status as the premier stock exchange of India.

As of February 28, 2013 there were 5,197 listed companies trading on the BSE. In February, the average daily equity turnover on the BSE was ₹21,069 million. The estimated market capitalization of stocks trading on the BSE was ₹65,380.39 billion as on February 28, 2013. (Source: [www.bseindia.com](http://www.bseindia.com))

### **NSE**

The NSE was established by financial institutions and banks to serve as a national exchange and to provide nationwide on-line satellite-linked screen-based trading facilities with electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchange of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994 and operations in the derivatives segment in June 2000.

The NSE launched the NSE 50 index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996. The average daily turnover for February, 2013 was ₹113,321 million. As of February 28, 2013 the NSE had 1,665 companies listed and the estimated market capitalisation for the capital market segment stood at approximately ₹63,852.91 billion. The NSE has a wide network in major metropolitan cities and has a screen based trading and a central monitoring system. (Source: [www.nseindia.com](http://www.nseindia.com))

### **Internet-based Securities Trading and Services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. The NSE became



the first exchange to grant approval to its members for providing internet -based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

### **Trading Hours**

Trading on both the BSE and the NSE occurs from Monday through Friday, from 9.15 a.m.to 3.30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m.to 9.15 a.m.).The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in cash and derivatives segments) subject to the condition that (i) the trading hours are between 9 a.m. and 5 p.m.; and (ii) the stock exchange has in place risk management system and infrastructure commensurate to the trading hours.

### **Trading Procedure**

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (BOLT) facility in 1995.This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. NSE also provides on-line trading facilities through a fully automated screen based trading system called National Exchange for Automated Trading’ (NEAT).

### **Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover being the Takeover Regulations. Since the Company is an Indian listed company, the provisions of the Takeover Regulations apply to the Company.

### **Insider Trading Regulations**

The Insider Trading Regulations have been notified by SEBI to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information. The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of “insider” includes any person who has received or has had access to unpublished price sensitive information of the company.

### **Depositories**

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended, which among other things provide regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.



## DESCRIPTION OF THE EQUITY SHARES

*The following is a summary of some of the provisions contained in, and is qualified in its entirety by, the Company's Memorandum and Articles of Association, the Companies Act, the SCRA and other related Indian regulations. Prospective investors are urged to read the Company's Memorandum and Articles of Association carefully, and consult with their advisers, as to the Company's Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights of the holders of the Equity Shares.*

### **Authorised Capital**

The authorised share capital of the Company is ₹2,750,000,000 divided into (i) 345,827,060 Equity Shares of ₹1 each; (ii) 114,760,000 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of ₹10 each; (iii) 355,294 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹10 each; (iv) 302,000 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹10 each; and (v) 125,000,000 Preference Shares of ₹10 each.

### **Articles of Association**

The Company is governed by its Articles of Association.

### **Dividends**

Under the Companies Act, an Indian company pays dividend upon a recommendation by its Board of Directors and subject to approval by a majority of the members, who have the right to decrease but not to increase the amount of the dividend recommended by the Board of Directors. Subject to certain conditions specified under Section 205 of the Companies Act, no dividend can be declared or paid by a company for any financial year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous financial year(s) arrived at as laid down by the Companies Act and remaining undistributed, or out of both.

However, the Board of Directors is not obligated to recommend a dividend. The decision of the Board of Directors and shareholders of the Company may depend on a number of factors, including but not limited to, the Company's profits, capital requirements and overall financial condition.

No unpaid or unclaimed dividend shall be forfeited unless the claim thereto becomes barred by law. The Company shall comply with the provisions of Section 205A read with Section 205C of the Companies Act and the Articles of the Company in respect of unpaid or unclaimed dividend. In addition, as permitted by the Articles, the Board may from time to time pay to the members of the Company such interim dividends as in their judgment the position of the Company justifies.

Subject to applicable provisions of the FEMA, all dividends and other distributions declared and payable on the Equity Shares may be paid by the Company to the holder thereof in Indian Rupees and may be converted into foreign currency and freely transferred out of India without the necessity of obtaining any governmental or regulatory authorisation or approval in the India or any political subdivision or taxing authority thereof.

The Equity Shares issued pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of the Company in all respects including entitlements to any dividends that may be declared by the Company.

### **Capitalisation of Profits and Issue of Bonus Shares**

The Company may, upon recommendation of the Directors at a general meeting, capitalise any amounts or other assets standing to the credit of the Company's reserves or reserve funds or the profit and loss account, or otherwise available for



distribution and not required for the payment of the fixed dividends on any preference shares of the Company and available for dividend towards paying the amounts unpaid on any Equity Shares held by the member(s) of the Company or in payment in full of unissued Equity Shares, debentures or other securities of the Company, to be allotted and distributed and credited as fully paid among such members or partly in one way and partly in the other. The share premium account or the capital redemption reserve fund of the Company can only be applied towards payment for unissued Equity Shares to be issued to members of the Company as fully paid bonus shares. Any issue of bonus shares by a listed company will be subject to the applicable SEBI regulations.

### **Alteration of Share Capital**

The Company's issued share capital may be increased by, *inter alia*, creation of new shares or upon the conversion of convertible debentures issued. The issue of any convertible debentures or the taking of any convertible loans, other than from the Government and institutions specified by the Government, requires the approval by way of a special resolution of the shareholders.

Subject to provisions of the Companies Act, the Company may also from time to time by special resolution reduce its share capital and convert all or any of its fully paid-up Equity Shares into stock and re-convert that stock into fully paid-up Equity Shares and cancel the Equity Shares which have not been or agreed to be taken up by any person.

The Articles further provide that the Company may in a general meeting, from time to time consolidate or sub-divide its share capital and the resolution may determine that as between the holders of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend capital or otherwise as compared with the others.

### **Pre-emptive Rights**

When it is proposed to increase the subscribed capital of the Company by the issue of new Equity Shares, such Equity Shares shall be offered first to the existing shareholders in proportion to the capital paid up on those shares at that date by a notice, specifying the number of Equity Shares and limiting a time not less than 30 days from the date of the offer which shall be deemed to include the right exercisable by the person concerned to renounce the Equity Shares offered to him in favour of any other person. If the offer is not accepted it is deemed to have been declined. The Board is authorised to distribute any new Equity Shares not purchased by the existing shareholders in the manner that it deems most beneficial to the Company.

Further, new Equity Shares may be offered to any person whether or not those persons include existing shareholders, either if a special resolution to that effect is passed by the shareholders of the Company in a general meeting, or where a simple majority of shareholders present and voting have passed the resolution and the permission of the Government has been obtained.

### **Preference Shares**

The Company may issue preference shares which are liable to be redeemed subject to provisions of the Companies Act.

### **General Meetings of Shareholders**

The Company must hold its annual general meeting within six months after the expiry of each financial year, provided that not more than 15 months shall elapse between the date of the previous annual general meeting and the next, unless extended by the Registrar of Companies at the request of the company for any special reason for a period not exceeding three months.

Written notices convening a meeting setting out the date, place and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if



consent is received from all shareholders entitled to vote at an annual general meeting, or from shareholders holding not less than 95% of the paid-up capital of the company, at any other meeting. Further, the shareholders of a company can participate in the general meeting through video conference facility, in the event such facility is provided by the company.

A listed company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the memorandum of association, the issuing of shares with differential voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares under the Section 77A(1) of the Companies Act, giving loans or extending guarantee or providing security in excess of the limits prescribed under Section 372A(1) of the Companies Act, is required to obtain the resolution passed by means of a postal ballot instead of transacting such business in the company's general meeting. A notice to all the shareholders is required to be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Such postal ballot includes procedure for voting by electronic mode.

### **Voting Rights**

Every member present in person and entitled to vote shall have one vote on a show of hand or on a poll. The voting rights shall be as specified in Section 87 of the Companies Act, subject to any rights or restrictions for the time being attached to any class or classes of shares.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles. The instrument appointing a proxy is required to be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given. Further no member shall be entitled to exercise any voting right personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid in regard to which the Company has exercised any right of lien.

### **Register of Members**

The Company is required to maintain a register of members wherein the particulars of the members of the Company are entered. For the purpose of determining the shareholders the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the board of directors may deem expedient

### **Annual Report and Financial Results**

The annual report must be laid before the annual general meeting of the shareholders of a company. This includes financial information about the company such as the audited financial statements as of the date of closing of the financial year, directors' report, management's discussion and analysis and a corporate governance section, and is sent to the shareholders of the company.

### **Transfer of shares**

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI, which provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. The Company has entered into an agreement for such depository services with NSDL and CDSL.



Under the Equity Listing Agreements, in respect of transfer of Equity Shares, in the event the Company does not effect transfer of Equity Shares within 15 days or where the Company fails to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares of the Company are freely transferable. Further, in terms of the Articles, any person, being a nominee, who becomes entitled to shares by reason of death of a member shall be entitled to the same dividend and other advantages to which he would be entitled if were the registered holder, except that he shall not before being registered as holder of such shares, be entitled in respect of them to exercise any right conferred by membership in relation to the meetings of the Company.

### **Liquidation Rights**

Subject to the provisions of the Companies Act, in the event of a company's winding-up, the holders of such shares are entitled to be repaid the amounts of capital paid-up or credited as paid-up on such shares or, in case of a shortfall, proportionately. All surplus assets after payments due to employees, statutory creditors, secured and unsecured creditors and preference shareholders belong to the holders of the equity shares in proportion to the amount paid-up or credited as paid-up on such shares respectively at the commencement of the winding-up.

Under the Articles of the Company, the liquidator on any winding-up (whether voluntary under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributors in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator shall think fit.



## TAXATION

### STATEMENT OF TAX BENEFITS

May 3, 2013

**Thomas Cook (India) Limited**

Thomas Cook Building,  
Dr. D. N. Road Fort,  
Mumbai – 400001

Dear Sirs,

**Sub: Statement of Possible Direct Tax Benefits**

We hereby submit that the enclosed Annexure states the possible tax benefits available to Thomas Cook (India) Ltd. (“**Company**”) and its Qualified Institutional Buyers (“**QIB**”) under the current tax laws (*including the proposed amendments as per Finance Bill 2013*) in India. Several of these benefits are dependent on the Company or its QIB fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its QIB to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the attached Annexure are not exhaustive. This statement is only intended to provide general information to the QIB and not for other category of investors *viz.* individuals and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

We do not express any opinion or provide any assurance as to whether:

- the Company or its QIB will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been or would be met with.

The contents of this Annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is intended solely for information and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company in accordance with Securities and Exchange Board of India (“SEBI”) Regulations and is not to be circulated or referred to for any other purpose without our prior written consent.

*Our views expressed herein are based on the facts and assumptions indicated by you. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.*

*The views are exclusively for the use of **Thomas Cook (India) Limited** and shall not, without our prior written consent, be disclosed to any other person.*

*Disclosure of all or any part of this tax benefit statement to any other person is on the basis that, to the fullest extent permitted by law, neither DELOITTE HASKINS & SELLS nor any other Deloitte Entity accepts any duty of care or liability of any kind to the recipient, and any reliance on it is at the recipient's own risk.*

Yours Faithfully,

For Deloitte Haskins & Sells



## ANNEXURE

### STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THOMAS COOK (INDIA) LIMITED (“COMPANY”) AND TO ITS QUALIFIED INSTITUTIONAL BUYERS (“QIB”)

#### A. Under the Income Tax Act, 1961 (“the Act”)

##### I. Special tax benefits available to the company

There are no special tax benefits available under the Act to the Company.

##### II. General tax benefits available to the company

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any Indian company is exempt from tax. However, as per section 94(7) of the Act, losses arising from sale / transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend which is claimed exempt.

Further, in the context of the dividend payable by the Company to its shareholders, by virtue of section 115-O, the Company would be liable to pay Dividend Distribution Tax (‘DDT’) at 15% (plus applicable surcharge and education cess and secondary & higher education cess) on the total amount declared, distributed or paid as dividend. In calculating the amount of dividend on which DDT is payable, dividend (if any, received by the Company during the tax year and subject to fulfillment of the conditions), shall be reduced by dividend received from a Subsidiary of the Company provided such Subsidiary has paid DDT on such dividend under section 115-O of the Act provided the same amount of dividend shall not be taken into account for reduction more than once.

#### Proposed amendments as per Finance Bill 2013

As per the proposed amendment to section 115-O (1A), while calculating the amount of dividend on which DDT is payable, even the dividend (if any, received by the Company during the tax year and subject to fulfillment of the conditions), received from a foreign Subsidiary shall be reduced provided the Company has paid tax under section 115BBD at the rate of 15% on such dividend.

However, the aforesaid amount of dividend shall not be taken into account for reduction more than once.

Further, the Finance Bill 2013 has proposed to extend the period of applicability of section 115BBD in respect of taxability of income by way of dividends received from specified foreign company at the concessional rate of 15% subject to certain conditions to Financial Year 2013-14.

2. As per section 10(35) of the Act, the following income will be exempt in the hands of the Company:
  - a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
  - b. Income received in respect of units from the Administrator of the specified undertaking; or
  - c. Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a Company as referred to in section 2(h) of the said Act.



Further, as per section 94(7) of the Act, losses arising from the sale / redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.

As per section 94(8) of the Act, if an investor purchases units within three months prior to the record date for entitlement of bonus, is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells / redeems the original units within nine months of the record date, then the loss arising from sale/ redemption of the original units will be ignored for the purpose of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.

3. As per section 2(42A) of the Act, shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) or a zero coupon bonds will be considered as short term capital asset if the period of holding of such security is 12 months or less immediately preceding the date of transfer. If the period of holding is more than 12 months, it will be considered as long term capital assets. In respect of other assets the determinative period of holding is 36 months as against 12 months mentioned above. Further, gain / loss arising from transfer of a short term capital asset and long term capital asset is regarded as short term capital gain and long term capital gain respectively.
4. As per section 10(38) of the Act, long term capital gains arising to the company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction has been entered into on a recognised stock exchange of India and is chargeable to securities transaction tax will be exempt in the hands of the Company.

For this purpose, "Equity Oriented Fund" means a fund –

- a. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- b. which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, while calculating "book profits" the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply and will be required to pay Minimum Alternate Tax, if applicable, @ 18.5% (plus applicable surcharge and education cess) of the book profits including long term capital gains to which provisions of section 10(38) applies.

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
6. In terms of section 32 of the Act, the Company is entitled to claim deduction for depreciation, subject to certain conditions, in respect of tangible assets (being building, furniture and fittings and plant and machinery) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature) at the rates prescribed under the Income-tax Rules, 1962.
7. In accordance with and subject to the provisions of section 35 of the Act, the Company will be entitled to deduction in respect of any sum paid to any approved scientific research association/ university/college/other institution specified.
8. Under section 35D of the Act, the Company will be entitled to a deduction equal to one-fifth of the expenditure incurred of the nature specified in the said section, including expenditure incurred on present issue, such as under writing commission, brokerage and other charges, as specified in the provision, for a period of five successive years subject to the limits provided and conditions specified therein.

In addition to the above, the company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares and certain other expenses listed under section 35D(2)(c) of the Act, subject to the provisions of section 35D and the limit specified in section 35D(3).



9. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”. The investment in the long term specified assets is eligible for such deduction to the extent of Rs.50,00,000 during any financial year. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
  - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
10. The Company is entitled to a deduction under section 80G of the Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that section, subject to fulfillment of conditions therein.
11. In terms of section 111A of the Act, any short term capital gain arising to the company from the transfer of a short term capital asset being an equity share in a company or unit of an equity oriented fund on or after 1st day of October 2004, where such transaction is chargeable to securities transaction tax, would be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess and secondary and higher education cess). Short Term Capital Gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

As per Section 70 read with Section 74 of the Act, short-term capital loss, if any arising during the year can be set-off against short-term capital gain as well as against the long-term capital gains and shall be allowed to be carried forward up to eight assessment years immediately succeeding the assessment year for which the loss was first computed.

12. As per section 112 of the Act, taxable long-term capital gains, on which securities transaction tax is not paid, on sale of listed securities or units or zero coupon bonds will be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or at 10% (plus applicable surcharge and education cess) without indexation benefits, at the option of the Company. Under section 48 of the Act, the long term capital gain arising out of the sale of capital asset will be computed after indexing the cost of acquisition / improvement.

As per section 70 read with section 74 of the Act, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward up to eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against future long term capital gain. The brought forward long term capital loss can be set off only against future long term capital gains.

13. As per section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between Minimum Alternate Tax paid and the tax computed as per the normal provisions of the Act for that assessment year. The Minimum Alternate Tax credit is allowed to be set-off in the subsequent years to the extent of difference between Minimum Alternate Tax payable and the tax payable as per the normal provisions of the Act for that assessment year. The Minimum Alternate Tax credit shall not be allowed to be carried forward beyond tenth assessment year immediately succeeding the assessment year in which tax credit become allowable.

### **III. General tax benefits available to Resident Shareholders i.e. QIB**

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any Indian company is exempt from tax. However, as per section 94(7) of the Act, losses arising from sale /



transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

2. As per section 2(42A) of the Act, shares held in a company or any other security listed in a recognized stock exchange in India will be considered as short term capital asset if the period of holding of such security is 12 months or less immediately preceding the date of transfer. If the period of holding is more than 12 months, it will be considered as long term capital assets. Further, gain / loss arising from transfer of a short term capital asset and long term capital asset is regarded as short term capital gain and long term capital gain respectively.
3. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share of the Company, where such transaction has been entered into on a recognised stock exchange of India and is chargeable to securities transaction tax, will be exempt in the hands of the QIB. However, income by way of long-capital gain of corporate members shall be taken into account in computation of the book profit and income-tax payable under section 115JB.
4. As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). As per section 70 read with section 74 of the Act, short-term capital loss, if any arising during the year can be set-off against short-term capital gain as well as against the long-term capital gains and shall be allowed to be carried forward up to eight assessment years immediately succeeding the assessment year for which the loss was first computed.
5. As per section 112 of the Act, taxable long-term capital gains, on which securities transaction tax is not paid, on sale of listed securities will be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is less. Under section 48 of the Act, the long term capital gain arising out of the sale of capital asset will be computed after indexing the cost of acquisition / improvement. As per section 70 read with section 74 of the Act, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward up to eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against future long term capital gain. The brought forward long term capital loss can be set off only against future long term capital gains.
6. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
7. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Act) arising on the transfer of shares of a Company would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”. The investment in the long term specified assets is eligible for such deduction to the extent of Rs.50,00,000 during any financial year. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
  - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
8. As per section 36(1) (xv) of the Act, the securities transaction tax paid by the QIB in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head “Profits and Gains of Business or Profession” if income arising from taxable securities transaction is included in such income.



#### IV. General tax benefits available to Non-Resident Shareholders i.e. QIB (Other than FIIs)

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any Indian company is exempt from tax. However, as per section 94(7) of the Act, losses arising from sale / transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.
2. As per section 2(42A) of the Act, shares held in a company or any other security listed in a recognized stock exchange in India will be considered as short term capital asset if the period of holding of such security is 12 months or less immediately preceding the date of transfer. If the period of holding is more than 12 months, it will be considered as long term capital assets. Further, gain / loss arising from transfer of a short term capital asset and long term capital asset is regarded as short term capital gain and long term capital gain respectively.
3. As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction has been entered into on a recognised stock exchange of India and is chargeable to securities transaction tax, will be exempt in the hands of the QIB. However, income by way of long-term capital gain of corporate members may be taken into account in computation of the book profit and income-tax payable under section 115JB.
4. As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). As per section 70 read with section 74 of the Act, short-term capital loss, if any arising during the year can be set-off against short-term capital gain as well as against the long-term capital gains and shall be allowed to be carried forward up to eight assessment years immediately succeeding the assessment year for which the loss was first computed.
5. As per first proviso to section 48 of the Act, in case of a non-resident QIB, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.
6. As per section 112 of the Act, taxable long-term capital gains, on which securities transaction tax is not paid, on sale of shares of the company will be charged to tax at the rate of 20% (plus applicable surcharge and education cess). The benefit of proviso to section 112(1) providing for tax rate of 10% on long-term capital gains without indexation may be available to listed securities. As per section 70 read with section 74 of the Act, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward up to eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against future long term capital gain. The brought forward long term capital loss can be set off only against future long term capital gains.
7. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
8. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Act) arising on the transfer of shares of a Company would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". The investment in the long term specified assets is eligible for such deduction to the extent of Rs.50,00,000 during any financial year. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
  - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the QIB in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head “Profits and Gains of Business or Profession” if income arising from taxable securities transaction is included in such income.
  10. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.
  11. As per the provisions of section 90(4) as inserted by the Finance Act 2012, an assessee being a non-resident, shall not be entitled to claim relief under Section 90(2) unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory.

#### **Proposed amendments as per Finance Bill 2013**

It has been proposed to amend section 90 and 90A by inserting sub-section (5) to provide that submission of Tax residency certificate though necessary may not be a sufficient condition for claiming benefits under the various tax treaties which India has entered with other countries. However, subsequent to the announcement of Finance Bill 2013, there was a press release dated 1 March 2013 by the Finance Ministry wherein it has been clarified that the Tax Residency Certificate produced by a non-resident will be accepted as evidence that he is a resident of that country and the Income Tax Authorities in India will not go behind the TRC and question his resident status.

#### **V. Benefits available to Foreign Institutional Investors (‘FIIs’)**

##### Special tax benefits

1. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provision of section 10(38) of the Act, at the following rates:

<b>Nature of income</b>	<b>Rate of tax (%)</b>
Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30
Short term capital gains referred in section 111A	15

The above tax rates have to be increased by the applicable surcharge and education cess.

2. As per section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
3. In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

##### **General tax benefits**

4. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the Company) received on the shares of the Company is exempt from tax.

5. As per section 2(42A) of the Act, shares held in a company or any other security listed in a recognized stock exchange in India will be considered as short term capital asset if the period of holding of such security is 12 months or less immediately preceding the date of transfer. If the period of holding is more than 12 months, it will be considered as long term capital assets. Further, gain / loss arising from transfer of a short term capital asset and long term capital asset is regarded as short term capital gain and long term capital gain respectively.
6. As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt to tax in the hands of the FIIs.
7. As per section 70 read with section 74 of the Act, short term capital loss, if any, arising during the year can be set off against short term capital gain and long term capital gain. It also provides that long-term capital loss, if any arising during the year can be set-off only against long-term capital gain. Both the short term capital loss and long term capital loss shall be allowed to be carried forward up to eight assessment years immediately succeeding the assessment year for which the loss was first computed. However, the brought forward long term capital loss can be set off only against future long term capital gains.
8. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII is considered as resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

As per the provisions of section 90(4) as inserted by the Finance Act 2012, an assessee being a non-resident, shall not be entitled to claim relief under Section 90(2) unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory.

#### **Proposed amendments as per Finance Bill 2013**

It has been proposed to amend section 90 and 90A by inserting sub-section (5) to provide that submission of Tax residency certificate though necessary may not be a sufficient condition for claiming benefits under the various tax treaties which India has entered with other countries. However, subsequent to the announcement of Finance Bill 2013, there was a press release dated 1 March 2013 by the Finance Ministry wherein it has been clarified that the Tax Residency Certificate produced by a non-resident will be accepted as evidence that he is a resident of that country and the Income Tax Authorities in India will not go behind the TRC and question his resident status.

9. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Act) arising on the transfer of shares of a Company would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”. The investment in the long term specified assets is eligible for such deduction to the extent of Rs.50,00,000 during any financial year. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
- b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

#### **VI. Special tax benefits available to Mutual Funds**

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial



institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

## **B. General benefits available under the Wealth Tax Act, 1957**

Asset as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

### **NOTES:**

- 1. The above statement of Possible Direct Tax Benefits sets out the provisions of Income-tax Act, 1961 relevant only to the category of eligible QIBs as listed under the section "Issue Procedure" of the Offer Document.*
- 2. The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*
- 3. The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.*
- 4. Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.*
- 5. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*
- 6. The provisions proposed by Finance Bill 2013 would become effective only once the Bill receives assent of the President and is enacted.*



## LEGAL PROCEEDINGS

We are involved in various legal proceedings including, civil and criminal proceedings and income and service tax appeals. Except as described below, we believe that we are not involved in any material legal proceedings, and in our opinion, no proceedings are threatened, which may have, or have had during the 12 months preceding the date of this Offer Document, a material adverse effect on our business, financial position, profitability or results of operations.

### *Director Litigation*

1. A complaint was filed by SEBI in 1996 against our Non-Executive Director Mr. Mahendrakumar Sharma, in his capacity of a past Director of Hindustan UniLever Limited erstwhile Hindustan Lever Limited (“**HUL**”), alleging insider trading by HUL. SEBI by its order, held HUL and also 5 of its directors (including Mr. Mahendrakumar Sharma), guilty of violation of insider trading regulations in a vicarious capacity. Further the same was challenged in Securities Appellate Tribunal (“**SAT**”), however, SAT quashed this Order and exonerated HUL and the 5 directors including Mr. Mahendrakumar Sharma in 1997. SEBI filed a writ petition, challenging the order of the SAT, before the Bombay High Court and also filed prosecutions against HUL and the 5 directors on the same facts. This has been challenged by HUL and the 5 directors before the Bombay High Court. The proceedings are still pending.
2. Chennaiappan Gounder (“**Complainant**”) has filed a criminal complaint no. 238 of 2007 before the District Munsif Cum Judicial Magistrate, Perundurai against Odyssey America Reinsurance Corporation, Hamlin Watsa Investment Council, Fairfax Financial Holdings Limited, ORE Holding Limited., Elevate Properties Private Limited, Mr. Ramasamy Athappan, Chief Executive Officer of India International Private Limited Mr. Chandran Ratnaswami, Mr. Nandhakumar Athappan, Mr. Prem Watsa, (“**Accused**”). The Complainant has alleged that the Accused have conspired and cheated the Complainant to the tune of US\$17,000,000. Further the matter was brought before the Chennai High Court in Criminal Original Petition no.19448 and 19449 of 2007. The Chennai High Court by its order dated July 4, 2007 has granted an interim stay against the investigation and no further proceedings in the same. The quash petitions are still pending.
3. K.C. Palanisamy (“**Complainant**”) has filed a criminal complaint, no. 7 of 2007 before the Court of Judicial Magistrate, Kangayam, Erode, against R.Athappan, G.Athappan, N.Athappan, Prem Watsa, Benn Watsa, Chandran Ratnaswami, Fairfax Financial Holdings Limited, Hamblin Watsa Investment Council, Odyssey America Reinsurance Corporation, ORE Holding Limited and Paul Rivett (“**Accused**”). The Complainant has alleged that the Accused have conspired and fraudulently taking shares of Vasantha Mills Limited, Cheran Properties Limited,. United Builders and Consultants and United Plantations Limited. In addition, the Accused dishonestly induced the Complainant to part with the valuable assets of Cheran Properties Limited, Vassantha Mills Limited, United Builders and Consultants Limited and United Plantations Limited to the value of ₹3,000,000,000. Stayed by Supreme Court in SLP (CrI.) Nos. 1924 - 1926 of 2013 and 1947 - 1948 of 2013 and SLP (C) (D) 7366 of 2013 vide order dated March 11, 2013.
4. Chennaiappan Gounder (“**Complainant**”) has filed a criminal complaint, no.466 and 488 of 2007 before the Court of Judicial Magistrate, Kangayam, Erode, against Odyssey America Reinsurance Corporation, Mamlin Watsa Investment Council, Fairfax Financial Holdings Limited, ORE Holding Limited., Elevate Properties Private Limited, New Delhi, Mr. Ramasamy Athappan, Mr. Chandran Rathasami, Nandhakumar Athappan, Prem Watsa (“**Accused**”). The Complainant has alleged that the Accused has conspired and cheated the Complainant by fraudulently taking various valuable assets and shares of the Complainant in various companies. Stayed by the Chennai High Court in Criminal Original Petition nos.20886-20889 of 2007 on July 12, 2007. The quash petitions are pending.
5. K.C.Palanisamy (“**Complainant**”) has filed a criminal complaint, no. 85 of 2007 before the Court of Judicial Magistrate, Kangayam, Erode, against N.Ram, Ramesh Rangarajan, Prem Watsa, R. Athappan, Chandran Ratnaswami, Paul Rivett, Jyothimani & others (“**Accused**”). The Accused are alleged to have robbed the important documents of Sporting Pasttime India Limited. Stayed by the Chennai High Court in Criminal Original Petition no. 32155 & 32156 of 2012 on December 28, 2012. The Chennai High Court has given an interim stay till January 8, 2013, which was extended till April 10, 2013 and further the matter has not been listed for hearing.



### ***Company and its Subsidiaries Litigation***

The following are the summaries of our Company and its Subsidiaries litigations and disputes involving potential financial liability above ₹10,000,000 and other litigation which we consider material is as follows:

#### ***Civil Proceedings:***

1. The Directorate of Enforcement (“ED”) issued show cause notices no. II and III both dated June 12, 1987 against our Company and our Directors. ED alleged that the Company had transacted unauthorized transfer of funds amounting to GBP83,850 and USD743,927 outside India. ED has further alleged that during period from August 1947 to October 1978 various remittances had been made without proper verification of passports and currency declaration forms of the purported remitters and also that remittances were not reported to the Reserve Bank of India. On June 7, 2004, our Company received a notice from Additional Commissioner of Income Tax (*who has been given charge of disposing of old FERA matters*). Our company has appeared and filed a detailed reply. The matter is presently pending for hearing.
2. Directorate of Enforcement (“ED”) had issued two show cause notices no. II and III both dated April 4, 1995 to our Company. In respect of show cause notice no. II dated April 4, 1995 it was alleged by ED that our Company and its employees had engaged in transactions not in conformity with the terms of its authorization as accorded by Reserve Bank of India. In show cause notice no. III it was alleged that our Company had abetted with ANZ Grindlays Bank for crediting some amounts by contravening the provisions of Section 6(4) and 6(5) of FERA and in show cause notice no. II by its order dated June 28, 1996 directed our Company to pay a penalty of ₹1,000,000 and imposed a penalty of ₹400,000 on the two of our Company’s employees in view of violation of FERA and in show cause notice no.III it was held that there was nothing on record to show that our Company and its employees had abetted ANZ Grindlays Bank in the transactions alleged and therefore the ED dropped the charges of abetment against our Company and its employees. Pending adjudication of both the show cause notices, ED issued two opportunity notices no II and III both dated February 29, 1996 alleging the same allegation as in show cause notices and further more stating that in the event of failure to reply to the above shoe cause notices, ED would initiate criminal proceeding against our Company. Aggrieved by the above notices our Company has filed a Writ Petition bearing no. 825 of 1996 before the Bombay High Court (“**Writ Petition**”) against the ED. The Bombay High Court by its order dated July 22, 1996 directed the ED not to commence criminal proceedings against our Company and our employees till the final disposal of the Writ Petition.

The Writ Petition filed before Bombay High Court is disposed off as per above. Our Company had filed an Appeal before FERA Appellate Board at New Delhi challenging ED’s Order dated June 28, 1996 and the FERA Appellate Board at New Delhi by its order dated January 25, 1999 granted stay to ED’s order including payment of penalty of ₹1,400,000. Thereafter Appeals filed before the Appellate Tribunal for Foreign Exchange, New Delhi have been rejected by their order dated December 21, 2010. Our Company challenged the aforesaid Orders by filing three separate Appeals in the Bombay High Court which are as follows and are still pending:

- a) Civil Application No.11 of 2011in FERA Appeal no. 12 of 2011 Thomas Cook (India) Limited v/s 1) The Special Directorate of Enforcement 2) Union of India
  - b) Civil Application No. 12 of 2011 in FERA Appeal of 13 of 2011 H.N. Shetty v/s 1) The Special Directorate of Enforcement 2) Union of India.
  - c) Civil Application No. 13 of 2011 in FERA Appeal of 14 of 2011 Prakash Awad v/s 1) The Special Directorate of Enforcement 2) Union of India.
3. Cox & Kings (India) Private Limited (“**the Plaintiff**”) has filed a suit no. 854 of 2004 before the Bombay High Court, for a sum of ₹750,000,000 together with interest thereon at 12% p.a. for defaming the Plaintiff by advertising libelous advertisement about the Plaintiffs promotional scheme of free holidays to customers. Plaintiff filed a complaint being Complaint No. CW No.18 and 2001 (UTPE No.13 and 2001) before the MRTP Commission at New



Delhi, which on February 13, 2001, the MRTP Commission passed an order (“**Order**”) restraining the Defendant from carrying on with the advertisement or similar advertisements aimed at disparaging the Tours of the Plaintiff and making false and misleading claims in respect of its tours as alleged by the Plaintiff. On February 22, 2001, despite the Order the Company published the same advertisement in the Times of India. The Plaintiff filed a Contempt Petition before the MRTP Commission. Although the Company was notified of the hearing, nobody appeared before the Commission. Finally, on September 28, 2001, the Commission after detailed hearing confirmed the previous order granted and restrained the Company from taking out the libelous advertisement as well as similar advertisements. Company had filed an appeal to the Supreme Court against the findings of the MRTP Commission, which was dismissed. The suit is filed by the Plaintiff alleging that due to such misleading advertisement, the Plaintiff has suffered financial losses of ₹750,000,000 in view of the defamatory statements made by our Company and there has been damage to Plaintiff’s goodwill and reputation and its business. The matter is currently pending in the Bombay High Court for the suit filed by the Plaintiff.

4. Mrs. Sartaj Kaur, Baby Sharin Dhillon, Mr. Basant Singh, Mr. Charanjit Singh Dhillon (“**the Plaintiffs**”) have filed a suit in the Delhi High Court against (1) Union of India, through the Secretary Ministry of Civil Aviation, (2) The Director General of Civil Aviation, (3) The Director Air Safety, (4) Airport Authority of India, (5) Our Company (6) Europe Assistance (France), Europe Assistance (Belgium), (7) Aerial Services Pvt. Ltd. (Mumbai) (8) New India Assurance Company (“**Defendants**”) for recovery of damages amounting to ₹20,241,000. The suit was filed by the family members of Bayant Singh, a qualified pharmacist, whose services were requested by our Company, who died in a plane crash during a medical evacuation mission while flying from Kullu to Delhi and back. The Plaintiffs have alleged that this crash was a result of deliberate and willful acts of misconduct and negligence on the part of the Defendants. The matter is pending.
5. Dr. Sonia Malik, Mr. Sameer Malik, Ms. Supriya Malik, Mrs. Kailash Malik, Mr. Hansraj Malik (“**the Plaintiffs**”) have filed a suit in the Delhi High Court against (1) Union of India, through the Secretary Ministry of Civil Aviation, (2) The Director General of Civil Aviation, (3) The Director Air Safety, (4) Airport Authority of India (5) Our Company (6) Europe Assistance (France), Europe Assistance (Belgium), (7) Aerial Services Pvt. Ltd. (Mumbai), Aerial Services (New Delhi), (8) New India Assurance Company (“**Defendants**”), for recovery of damages amounting to ₹50,986,000 at 18% p.a. The suit was filed by the family members of Dr. Sushil Malik, whose services were requested by our Company, who died in an air crash during a medical evacuation mission from Kullu to Delhi and back. The Plaintiffs have alleged that this crash was a result of deliberate and willful acts of misconduct and negligence on the part of the Defendants. The matter is pending.
6. Beach Ark Hotels Pvt. Ltd. (“**Plaintiff**”) filed a Suit against our Company and J. M. C. Holidays Limited (“**JMC**”) in the Court of Civil Judge, Margao. The Plaintiff has alleged that the Plaintiff, J. M.C Holidays Limited and Travel Corporation (India) Limited had entered into a Tripartite Agreement (“**Agreement**”). Consequently it was agreed between the Plaintiffs, JMC and Travel Corporation (India) Limited that our Company would be replaced in the said Agreement in place of Travel Corporation (India) Limited. Defendant were unable to generate business and therefore filed a suit and claimed ₹27,037,125 with further interest thereon @ 10% p.a. from the date of filing of the suit up to actual payment, and in the alternative the Plaintiffs have prayed for set – off of the said sum of ₹27,037,125 from the amount outstanding in the advance given by the Defendants and the Defendants be ordered and decreed to pay jointly and severally the deficit amount with further interest thereon @10% p.a. from the date of the filing of the suit up to actual payment. Our company had preferred an Application (“**Application**”) before Learned. Civil Judge Senior Division Margao under Section 8 of the Arbitration Act, 1996 in the civil suit no.101/2003/II to refer the parties to the Arbitration and the same was rejected by an order dated January 31, 2007 (“**Order**”) of the Learned Civil Judge Senior Division Margao.

Our Company thereafter filed a Civil Revision Application (“**CRA**”) against the Order, before the High Court of Bombay bench at Panji, Goa (the “**Goa High Court**”). The Goa High Court dismissed the CRA, but allowed an application no.8/2005 for appointment of Arbitrator and accordingly, Retired Justice Mr. G. D. Kamat had been appointed as an Arbitrator. Our Company thereafter filed an Appeal in the Supreme Court against the Order. Beach Ark Resort has also filed an appeal in Supreme Court of India against the Order of the Goa High Court, for



appointment of Arbitrator, wherein the Goa High Court passed an interim relief by issuing notice to our Company and stayed the Arbitration proceedings. The Supreme Court has clubbed the Company's Appeal along with the above SLP filed by Beach Ark. Both the Appeals are clubbed together and are pending in the Supreme Court.

### ***Criminal Proceedings***

1. Our Company filed a suit against Mr. Ashok Pratap, (the "**Defendant**") in the Court of Small Causes, Bombay. The Defendant in this case is a tenant of the Plaintiff, who is accommodating the third floor of the Thomas Cook Building at Dr. D.N. Road, Mumbai 400 001 ("**Premises**"). The Plaintiff has filed the suit to recover possession for the Premises from the Defendant, as the Plaintiff requires the Premises for its business. In letters dated April 24, 2004 and April 15, 2008, the Company has called upon the Defendant to pay the increased rent, but still the amount of ₹164,279 remains unpaid by the Defendant on account of arrears for the years 2001 to 2009. The Defendant had filed a complaint for restoration of essential services and issuing process in Complaint bearing no CC No.0800791/SS/2012 before the Additional Chief Metropolitan Magistrate 8<sup>th</sup> Court at Esplanade at Mumbai. The Additional Chief Metropolitan Magistrate passed an interim order dated June 11, 2012 against our Company to restore the essential supply and services ("**Order**"). Following this, we filed a Writ Petition before the Bombay High Court along with Madhavan Karnakaran Menon, Vinayak Kashinath Purohit, Rambhau Rudraji Kenkare, Col. Suresh Kumar, Ashwin Pardeshi, Michael Pereira and Prashant Tambe against the Order to stay the proceedings pending before the Additional Chief Metropolitan Magistrate. The matter before the Additional Chief Metropolitan Magistrate is stayed and the matter before the Bombay High Court is pending.
2. Sudarshan Lal Kaura ("**Complainant**") has filed a criminal complaint, no. 10596 of 2009 before the Court of Chief Judicial Magistrate, Chandigarh, against Thakur Tour and Travels Limited and our Company ("**Accused**"). Complainant booked 'European Extravaganza' tour, which was suppose to commence on May 13, 2002 and also paid ₹234,860. On May 13, 2002 Accused informed Complainant that their visa was not ready and the tour was postponed to May 20, 2002 and thereafter the tour was once again postponed to May 29, 2002. On May 29, 2002 the Visa for the Complainant and his wife were handed over in the afternoon whereas the flight had left on the same day early morning. The complainant issued notice dated May 31, 2002 to Thakur Tour and Travels Limited demanding the refund of the monies paid by the Complainant but no payments were made to him. The Complainant filed criminal complaint on December 10, 2007 before SSP, Chandigarh and reminder letters were sent by the Complainant to SHO on December 27, 2008 and September 12, 2009. Since SHO failed to take action, Complainant filed petition before the High Court of Punjab & Haryana, at Chandigarh for seeking direction to register a criminal complaint against the Accused and High Court of Punjab & Haryana, at Chandigarh gave liberty to file Complaint u/s. 156 (3) of The Code of Criminal Procedure, 1973 and the petition filed by the Complainant was dismissed as withdrawn. Pursuant thereto the present complaint was filed under sections 406, 409, 415, 417, 420, 120-B of The Indian Penal Code 1860 and issued summons to both the Accused under sections 420 and 120B. The matter is pending.

### ***Service Tax Proceedings***

1. The Commissioner of Service Tax, New Delhi issued a show cause notice ("**SCN**") bearing number C.NO.DLI/ST/AE/R-VIII/70/05/Pt dated January 12, 2010, proposing to demand service tax amounting to ₹30,876,604 and interest thereon, to our Company for outbound tours i.e., tours performed outside India, for tour operator service for the period from October 1, 2007 and September 30, 2008. The SCN also proposes to impose penalty under section 76, 77 and 78 of the Finance Act, 1994. Our Company has filed a suitable reply with the authorities on June 25, 2010. The matter is pending.
2. Our Company was issued a show cause demanding a service tax amount of ₹70,467,520 and interest thereon. The SCN also proposes to impose penalty under section 76, 77 and 78 of the Finance Act, 1994 and we had filed an interim reply to the show cause notice on June 15, 2009. However, the commissioner of Customs, Central Excise and Service Tax, Hyderabad, confirmed the entire demand of service tax in the Order. The commissioner further imposed a penalty of ₹70,500,000. Our Company further filed an appeal to counter the Order and prayed to waive the pre-deposit of service tax, interest and penalties imposed on our Company till the disposal of the appeal and grant



a personal hearing. Our Company has filed an appeal in the Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Bangalore, against the order in original No.16/2010-ST dated March 29, 2010 (“**Order**”) of Commissioner of Customs, Central Excise & Service Tax, Hyderabad, (“**Respondent**”) for non-payment of service tax towards Outbound Tours as a tour operator service for period from September 10, 2004 and March 31, 2009, interest thereon and penalty imposed of ₹70,500,000. The CESTAT has granted an unconditional stay against the recovery of aforesaid demand. The matter is pending before CESTAT.

3. The Office of the Commissioner of Service Tax, New Delhi issued a show cause notice bearing number C.NO.DLI/ST/AE/70/05/Pt dated April 17, 2008 demanding ₹71,353,998 and interest thereon, to our Company for outbound tours i.e., tours performed outside India, for tour operator service for the period from September 10, 2004 to September 30, 2007. The penalty under section 76, 77 and 78 of the Finance Act, 1994 is also proposed to be imposed on the company. Hearing was held on February 11, 2010 and authorities to revert on same. The matter is pending.
4. The Commissioner of Service Tax, Mumbai issued a show cause notice bearing number V/ST/HQ/AE/E/257/08/4248 dated October 15, 2009, demanding service tax amounting to ₹203,538,121 and interest thereon, to our Company for outbound tours i.e., tours performed outside India, for tour operator service for the period from September 10, 2004 to March 31, 2009. Further, the show cause notice proposed to appropriate an amount of ₹1,188,495 already paid the Company for the period April 1, 2008 to March 31, 2009 against the aforesaid demand. Our Company has replied to the show cause notice by its letter dated August 28, 2010 and prayed for a personal hearing on the same learned Commissioner by its order in original no 37 to 39 dated November 19, 2012 confirmed the entire demand of ₹203,538,121 along with interest and imposed penalty of same amount under section 78 of the Finance Act, 1994. Our company has filed an appeal before Customs, Excise & Service Tax Appellate Tribunal (“**CESTAT**”), Mumbai. The CESTAT has granted an unconditional stay against the recovery of aforesaid demand. The matter is pending before CESTAT.
5. The Commissioner of Service Tax- I, Mumbai, issued a show cause notice bearing number V/ST/Dn.II/SCN/Gr.VIII/TCIL/24/2010 dated October 21, 2010, demanding service tax amounting to ₹365,234,252 and interest thereon, to our Company for outbound tours i.e., tours performed outside India, for tour operator service for the period from April 01, 2009 to March 31, 2010. The learned Commissioner by its order in original no 37 to 39 dated November 19, 2012 confirmed the entire demand of ₹365,234,252 along with interest and imposed penalty under section 76 of the Finance Act, 1994. Our company has filed an appeal before Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Mumbai. The Mumbai CESTAT has granted an unconditional stay against the recovery of aforesaid demand. The matter is pending before CESTAT.
6. The Commissioner of Service Tax- I, Mumbai, issued a show cause notice bearing number V/ST/Dn.II/SCN/Gr.VIII/TCIL/24/2010/2558 dated October 19, 2011, demanding service tax amounting to ₹602,253,379 and interest thereon, to our Company for outbound tours i.e., tours performed outside India, for tour operator service for the period from April 01, 2010 to March 31, 2011. The learned Commissioner by its order in original no 37 to 39 dated November 19, 2012 confirmed the entire demand of ₹602,253,379 along with interest and imposed penalty under section 76 of the Finance Act, 1994. Our company has filed an appeal before Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Mumbai. The Mumbai CESTAT has granted an unconditional stay against the recovery of aforesaid demand. The matter is pending before CESTAT.
7. The Commissioner of Service Tax - I, Mumbai, issued a show cause notice bearing number V/ST/Dn.II/Gr.VIII/TCIL/24/2010/9223 dated December 17, 2012, demanding service tax amounting to ₹767,061,442 and interest thereon, to our Company for outbound tours i.e., tours performed outside India, for tour operator service for the period from April 1, 2011 to March 31, 2012. The matter is pending.
8. The Commissioner of Service Tax- I issued a show cause notice dated October 22, 2010 proposing to demand service tax on Moneygram Commission amounting ₹20,293,793 along with interest for the period April 1, 2005 to March 31, 2010. The penalty under section 76, 77 and 78 of the Finance Act, 1994 is also proposed to be imposed on



the company. The matter is still pending.

9. The Commissioner of Service Tax, Kolkata issued a show causes notice dated October 23, 2008 stating that Our Company has been providing taxable services such as “Air Travel Agent”, “Tour Operator”, “Banking and Financial Services” and “Rail Travel Agent” and proposing to demand service tax on various forex revenue streams of ₹22,714,097 along with interest and also proposed to impose penalty under section 76 and 78 of the Finance Act, 1994 the period in dispute is April 1, 2003 to March 31, 2008. The Company replied to the show cause notice on August 25, 2009. The matter is still pending.

#### ***Service Tax Proceedings of Travel Corporation (India) Limited***

1. The Commissioner of Service Tax, Mumbai issued a show cause notice bearing number V/ST/HQ/Prev/E/94/06/2012 dated June 10, 2009, demanding service tax amounting to ₹71,503,922 and interest thereon, to Travel Corporation (India) Limited for outbound tours i.e., tours performed outside India, for tour operator service for the period from September 10, 2004 to March 31, 2008. The SCN also proposes to impose penalty under section 76, 77 and 78 of the Finance Act, 1994. The reply to the show cause notice was filed vide letter dated August 05, 2009 and prayed for a personal hearing on the same. The learned Commissioner vide order in original no 18/STC/BR/09-10 dated November 24, 2009 confirmed the entire demand of ₹71,503,922 along with interest and imposed penalty under section 76, 77 and 78 of the Finance Act, 1994. An appeal has been filed before Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Mumbai. The CESTAT has granted an unconditional stay against the recovery of aforesaid demand. The matter is pending before CESTAT.
2. The Commissioner of Service Tax, Mumbai issued a show cause notice bearing number V/ST/Dn-II/Gr.VIII/TCIPL/43/2010/1764 dated November 26, 2010, demanding service tax amounting to ₹159,782,742 and interest thereon, to Travel Corporation (India) Limited for outbound tours i.e., tours performed outside India, for tour operator service for the period from April 1, 2005 to March 31, 2010. The SCN also proposes to impose penalty under section 76, 77 and 78 of the Finance Act, 1994. The reply to the show cause notice was filed vide letter dated July 06, 2012 and prayed for a personal hearing on the same. The learned Commissioner vide order in original no 36/ST/SB/2012-13 dated November 19, 2012 confirmed the entire demand of ₹159,782,742 along with interest and imposed penalty under section 76, 77 and 78 of the Finance Act, 1994. An appeal has been filed before the Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Mumbai. The CESTAT has granted an unconditional stay against the recovery of aforesaid demand. The matter is pending before CESTAT.
3. The Commissioner of Service Tax, New Delhi issued a show cause notice bearing number DLI/ST/AE/70/05/Pt/10670 dated April 17, 2008, demanding service tax amounting to ₹18,966,976 and interest thereon, to Travel Corporation (India) Limited for outbound tours i.e., tours performed outside India, for tour operator service for the period from September 10, 2004 to September 30, 2007. The SCN also proposes to impose penalty under section 76, 77 and 78 of the Finance Act, 1994. The reply to the show cause notice was filed vide letter dated January 27, 2009 and prayed for a personal hearing on the same. The learned Commissioner vide order in original no 12/AKM/CST(Adj)/2011 dated October 03, 2011 confirmed the demand of ₹12,919,498 along with interest and imposed penalty under section 78 of the Finance Act, 1994. An appeal has been filed before the Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Delhi. The CESTAT has granted an unconditional stay against the recovery of aforesaid demand. The matter is pending before CESTAT.

#### ***Income Tax Proceedings***

1. Our Company filed an income tax appeal against Deputy Commissioner of Income Tax in the Bombay High Court in June, 2006, regarding the Assessment Year 1989 - 1990. Our Company filed the appeal aggrieved by the judgment dated January 30, 2006 (“**Order**”) passed by Mumbai Bench ‘I’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹11,370,032 and deduction under section 80HHC of the Income Tax Act is ₹14,471,774. The matter is pending for hearing.



2. Our Company filed an income tax appeal against Deputy Commissioner of Income Tax in the Bombay High Court in June, 2006, regarding the Assessment Year 1990 - 1991. Our Company filed the appeal aggrieved by the judgment dated January 30, 2006 (“**Order**”) passed by Mumbai Bench ‘I’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹11,275,758 and deduction under section 80HHC of the Income Tax Act is ₹14,966,316. The matter is pending for hearing.
3. Our Company filed an income tax appeal against Deputy Commissioner of Income Tax in the Bombay High Court in June, 2006, regarding the Assessment Year 1991 - 1992. Our Company filed the appeal aggrieved by the judgment dated January 30, 2006 (“**Order**”) passed by Mumbai Bench ‘I’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹13,668,819 and deduction under section 80HHC of the Income Tax Act is ₹18,161,174. The matter is pending for hearing.
4. Our Company filed an income tax appeal against Deputy Commissioner of Income Tax in the Bombay High Court in June, 2006, regarding the Assessment Year 1992 - 1993. Our Company filed the appeal aggrieved by the judgment dated January 30, 2006 (“**Order**”) passed by Mumbai Bench ‘I’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹24,236,480 and deduction under section 80HHC of the Income Tax Act is ₹ 22,259,067. The matter is pending for hearing.
5. Our Company filed an income tax appeal against Deputy Commissioner of Income Tax in the Bombay High Court in June, 2006, regarding the Assessment Year 1993 - 1994. Our Company filed the appeal aggrieved by the judgment dated January 30, 2006 (“**Order**”) passed by Mumbai Bench ‘I’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹40,061,909 and deduction under section 80HHC of the Income Tax Act is ₹43,151,286. The matter is pending for hearing.
6. Our Company filed an income tax appeal against Deputy Commissioner of Income Tax in the Bombay High Court in May, 2007, regarding the Assessment Year 1994 - 1995. Our Company filed the appeal aggrieved by the judgment dated November 15, 2006 and January 15, 2007 (“**Orders**”) passed by Mumbai Bench ‘I’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Orders disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹ 42,345,850 and deduction under section 80HHC of the Income Tax Act is ₹ 40,701,019. The matter is pending for hearing.
7. Our Company filed an income tax appeal against Deputy Commissioner of Income Tax in the Bombay High Court in June, 2006, regarding the Assessment Year 1995 - 1996. Our Company filed the appeal aggrieved by the judgment dated January 30, 2006 (“**Order**”) passed by Mumbai Bench ‘I’ of the Income tax Appellate Tribunal. The Appeal had been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹ 12,680,743 and deduction under section 80HHC of the Income Tax Act is ₹ 21,698,519. The matter is pending for hearing.
8. Our Company filed an income tax appeal against Deputy Commissioner of Income Tax in the Bombay High Court on May 25, 2007, regarding the Assessment Year 1996 - 1997. Our Company filed the appeal aggrieved by the judgment dated January 15, 2007 (“**Order**”) passed by Mumbai Bench ‘I’ of the Income Tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹30,463,363 and deduction under section 80HHC of the Income Tax Act is ₹59,090,470. The matter is pending for hearing.
9. Our Company filed an income tax appeal against Deputy Commissioner of Income Tax in the Bombay High Court in June, 2006, regarding the Assessment Year 1997 - 1998. Our Company filed the appeal aggrieved by the judgment dated January 30, 2006 (“**Order**”) passed by Mumbai Bench ‘I’ of the Income tax Appellate Tribunal. The Appeal



has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹12,781,934 and deduction under section 80HHC of the Income Tax Act is ₹14,742,274. The matter is pending for hearing.

10. Our Company filed an income tax appeal against Additional Commissioner of Income Tax in the Bombay High Court in April, 2008, regarding the Assessment Year 1998 - 1999. Our Company filed the appeal aggrieved by the judgment dated December 12, 2007 (“**Order**”) passed by Mumbai Bench ‘J’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹ 18,916,823 and deduction under section 80HHC of the Income Tax Act is ₹ 27,711,293. The matter is pending for hearing.
11. Our Company filed an income tax appeal against Additional Commissioner of Income Tax in the Bombay High Court in April, 2008, regarding the Assessment Year 1999 - 2000. Our Company filed the appeal aggrieved by the judgment dated November 27, 2007 (“**Order**”) passed by Mumbai Bench ‘B’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹ 14,307,445 and deduction under section 80HHC of the Income Tax Act is ₹ 18,036,739. The matter is pending for hearing.
12. Our Company filed an income tax appeal against Additional Commissioner of Income Tax in the Bombay High Court in April, 2008, regarding the Assessment Year 2000 - 2001. Our Company filed the appeal aggrieved by the judgment dated October 29, 2007 (“**Order**”) passed by Mumbai Bench ‘J’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹14,044,868 and deduction under section 80HHC of the Income Tax Act is ₹ 18,439,841. The matter is pending for hearing.
13. Our Company filed an income tax appeal against Additional Commissioner of Income Tax in the Bombay High Court in April, 2008, regarding the Assessment Year 2001 - 2002. Our Company filed the appeal aggrieved by the judgment dated January 31, 2008 (“**Order**”) passed by Mumbai Bench ‘E’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹17,193,141 and deduction under section 80HHC of the Income Tax Act is ₹19,819,288. The matter is pending for hearing.
14. Our Company filed an income tax appeal against Additional Commissioner of Income Tax in the Bombay High Court in December, 2008, regarding the Assessment Year 2002 - 2003. Our Company filed the appeal aggrieved by the judgment dated August 4, 2008 (“**Order**”) passed by Mumbai Bench ‘F’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹10,509,385 and deduction under section 80HHC of the Income Tax Act is ₹ 8,840,553. The matter is pending for hearing.
15. Our Company filed an income tax appeal against Joint Commissioner of Income Tax in the Bombay High Court in March, 2009, regarding the Assessment Year 2003 - 2004. Our Company filed the appeal aggrieved by the judgment dated November 21, 2008 (“**Order**”) passed by Mumbai Bench ‘E’ of the Income tax Appellate Tribunal. The Appeal has been filed because the Order disallowed the Company to deduction under section 80HHC of the Income Tax Act. Our Company claims that the disputed tax in this appeal is ₹ 8,810,578 and deduction under section 80HHC of the Income Tax Act is ₹ 4,323,626. The matter is pending for hearing.

***Cases contested by Income Tax Department relating to Penalty u/s 271(1)(c) for allegedly furnishing inaccurate particulars related to 80HHC cases.***

16. The Commissioner of Income Tax- I (“**Appellant**”) has filed an income tax appeal (No. 2788 of 2009) against the Company in the Bombay High Court for the Assessment Year 1994 - 1995. The Appellant has filed this appeal being aggrieved by the dismissal of the appeal of the Appellant Revenue by an order dated June 23, 2009 (“**Order**”). According to the Appellant the Company made false claims while filing its return of income on November 11, 1994



for which the Assessing Officer levied a penalty of ₹ 21,062,777 on the Company. Our Company challenged the penalty of the Assessing Officer by an appeal with the CIT dated September 26, 2007, leading to the revoking of the penalty levied. The Appellant challenged this revocation before the Income- tax Appellate Tribunal Bench “E” Mumbai following which the ITAT dismissed the Appeal. The Appellant submits that the disputed claim in the Appeal is valued at ₹ 21,062,777. The Appellant prays that the Bombay High Court quash the impugned order dated June 23, 2009. The matter is still pending.

17. The Commissioner of Income Tax- I (“**Appellant**”) has filed an income tax appeal (No. 2789 of 2009) against the Company in the Bombay High Court for the Assessment Year 1996 - 1997. The Appellant has filed this appeal being aggrieved by the dismissal of the appeal of the Appellant Revenue by an order dated June 23, 2009 (“**Order**”). According to the Appellant the Company made false claims while filing its return of income on November 29, 1996 for which the Assessing Officer levied a penalty of ₹ 27,181,616 on the Company. Our Company challenged the penalty of the Assessing Officer by an appeal with the CIT dated September 26, 2007, leading to the revoking of the penalty levied. The Appellant challenged this revocation before the Income- tax Appellate Tribunal Bench “E” Mumbai following which the ITAT dismissed the Appeal. The Appellant submits that the disputed claim in the Appeal is valued at ₹ 27,181,616. The Appellant prays that the Bombay High Court quash the impugned order dated June 23, 2009. The matter is still pending.
18. The Commissioner of Income Tax - I (“**Appellant**”) has filed an income tax appeal (No. 972 of 2011) against the Company in the Bombay High Court for the Assessment Year 2002 - 2003. The Appellant has filed this appeal being aggrieved by the dismissal of the appeal nos. 813/M/2010 of the Appellant by an order dated February 23, 2011 by the Income Tax Appellant Tribunal Bench ‘E’ Mumbai (“**Order**”). The Appellant being aggrieved by the Order filed the appeal on the grounds that the ITAT and the CIT revoked the penalty levied, on the disallowance of deduction 80HHC & 80HHD. The Appellant submits that the disputed claim in the Appeal is valued at ₹ 9,985,482 plus a Court fee of ₹10,000 .The Appellant prays that the Bombay High Court allow the appeal, with costs. The matter is still pending.

#### ***Appeals filed by Company: Short Deduction of TDS***

19. Company filed an appeal with the Commissioner of Income-Tax (Appeals) – 14, for the A.Y. 2008-2009 against the Income Tax Officer declaring the Company assessee in default in respect of tax amounting to ₹ 20,038,420. The Company submitted the detailed reply along with relevant documentary proof on December 16, 2010 explaining that TDS had been deducted and paid in accordance with the provisions of the Income Tax Act. The Income Tax Officer erred in declaring assessee in default in respect of tax amounts to ₹ 354,140 on account of short deduction/collection of TDS and the appellant has prayed that the Income Tax Officer be directed to delete the demand raised. Income Tax Officer erred by declaring the Company an assessee in default, in respect of tax amounting to ₹ 13,655,560, on account of TDS amounts deducted or collected from deductees but not deposited to the government. The Company has been deducting TDS and depositing the same with the government and prays that the Income Tax Officer be directed to delete the demand raised. The Income Tax Officer erred in declaring the Company an assessee in default in respect of interest amounts of ₹354,140, ₹13,655,560 and ₹6,028,720 on short deduction, short payments and for late deposit of tax, respectively. The matter is pending.
20. Company filed an appeal with the Commissioner of Income-Tax (Appeals) – 14, for the A.Y. 2007-2008 against the an ex-parte order dated March 5, 2012 passed by the Assessing Officer without serving the opportunity of hearing and raised demand of ₹26,542,220 and treating the Company as an assessee in default on the ground that there was a short payment of ₹15,596,370 when there was no short payment of any tax and the assessee had deposited the amount in the government treasury. The Assessing Officer also levied penal interest of ₹10,945,850 for short payment of tax even though the same had been paid within the time limit. The matter is pending for hearing.



## **INDEPENDENT ACCOUNTANTS**

M/s. Lovelock & Lewes, Chartered Accountants, Firm Registration No.301056E, Statutory Auditors of the Company, have audited the Consolidated Financial Statements as of and for each of the years ended December 31, 2010, 2011 and 2012, included in this Offer Document.



## GENERAL INFORMATION

1. The Company was originally incorporated as a private company on October 21, 1978 under the Companies Act. The registered office of the Company is situated at Thomas Cook Building, Dr. D. N. Road Fort, Mumbai, Maharashtra – 400001, India. It subsequently converted itself into a public company on March 12, 1979.
2. The Issue is being made to Eligible QIBs in reliance upon Chapter VIII-A of the SEBI Regulations.
3. The Issue has been authorised and approved by the Board of Directors through resolution dated February 5, 2013, respectively, and by the Company's shareholders through a special resolution dated March 12, 2013.
4. The Company has received in-principle approvals under Clause 24(a) of the Equity Listing Agreement to list the Equity Shares being offered in the Issue on the BSE and the NSE on April 16, 2013, respectively.
5. The Company has obtained the approval of the SEBI in accordance with its letter dated March 8, 2013 for an issuance of up to 34,379,606 Equity Shares by way of the Issue.
6. The Company has filed the Preliminary Offer Document dated April 24, 2013 with RoC, SEBI and Stock Exchanges on April 25, 2013.
7. The Company has obtained and will obtain necessary consents, approvals and authorisations required in connection with the Issue.
8. Except as disclosed in this Offer Document, there has been no material change in the Company's financial condition since December 31, 2012, the date of its latest audited consolidated financial statements, prepared in accordance with Indian GAAP, included herein.
9. Except as disclosed in this Offer Document, there are no legal or arbitration proceedings against or affecting the Company or its assets or revenues, nor is the Company aware of any pending or threatened legal or arbitration proceedings, which are, or might be, material in the context of the Issue.
10. The Company's Statutory Auditors, M/s. Lovelock & Lewes, Chartered Accountants have audited the Company's consolidated financial statements as of and for each of the years ended December 31, 2012, 2011 and 2010 and have consented to the inclusion of their respective Auditor's Reports in relation thereto in this Offer Document. A written consent under the provisions of the Companies Act is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. As the Equity Shares being issued as part of the Issue have not and will not be registered under the Securities Act, Lovelock & Lewes, Chartered Accountants, the Company's Statutory Auditors, have not filed consent under Section 7 of the Securities Act.
11. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

### 12. **Consents**

Consents in writing of: Kotak Mahindra Bank Limited, the Public Issue Account Bank and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Offer Document with the RoC and such consents will not be withdrawn up to the time of delivery of this Offer Document for registration with the RoC.

13. M/s. Lovelock & Lewes, Chartered Accountants, the Company's Statutory Auditors, have given their written consent to the inclusion of the Auditors Reports dated February 19, 2013, February 16, 2012 and February 17,



2011 in the form and context in which it appears in this Offer Document. A written consent under the provisions of the Companies Act is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. As the Equity Shares being issued as part of the Issue have not and will not be registered under the Securities Act, Lovelock & Lewes, Chartered Accountants, the Company's Statutory Auditors, have not filed consent under Section 7 of the Securities Act.

14. Deloitte Haskins & Sells, chartered accountants, have given their written consent to inclusion of their report dated May 3, 2013 relating to the possible tax benefits accruing to the Company and its shareholders in the form and context in which it appears in this Offer Document.

15. **Experts**

a. M/s. Lovelock & Lewes, Chartered Accountants, the Company's Statutory Auditors, have given their written consent to the inclusion of the Auditors Reports dated February 19, 2013, February 16, 2012 and February 17, 2011 in the form and context in which it appears in this Offer Document. A written consent under the provisions of the Companies Act is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. As the Equity Shares being issued as part of the Issue have not and will not be registered under the Securities Act, Lovelock & Lewes, Chartered Accountants, the Company's Statutory Auditors, have not filed consent under Section 7 of the Securities Act. In this regard, M/s. Lovelock & Lewes, Chartered Accountants, the Company's Statutory Auditors, have consented to be referred to as 'experts' in this Offer Document in accordance with the provisions of the Companies Act. The term "Experts" as used in the Offer Document is different from that as defined under the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. The reference to Lovelock & Lewes, Chartered Accountants, the Company's Statutory Auditors, as "Experts" in this Offer Document is not made in the context of the Securities Act but solely as that term is used in the context of IPP offerings in India.

b. Deloitte Haskins & Sells, Chartered Accountants, have furnished a report dated May 3, 2013 relating to the possible tax benefits accruing to the Company and its shareholders in the form and context in which it appears in this Offer Document. In this regard, Deloitte Haskins & Sells, Chartered Accountants have consented to be referred to as 'experts' in this Offer Document, in accordance with the provisions of Section 58 of the Companies Act.

16. **Company Secretary and Compliance Officer**

The Company Secretary and Compliance Officer of the Company is Mr. R.R Kenkare. His contact details are as follows:

Add: Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai – 400 001  
Tel: +91 22 6609 1413  
Fax: +91 22 2284 4529  
Email: [sharedept@in.thomascook.com](mailto:sharedept@in.thomascook.com)

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems related to Allotment, credit of Allotted Equity Shares in the respective beneficiary account or unblocking of funds in the ASBA Accounts.

17. **Price Information of Past Issues handled by BRLMs**



1. Price Information of Past Issues handled by IIFL is as follows:

IIFL has not handled any public issue of equity shares in the last three years.

2. The price information of past issues handled by ICICI Securities is as follows:

Sr. No.	Issue Name	Issue Size Rs. (million)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	Closing Price on Listing Date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing date	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing date	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing date	Benchmark index as on 30th calendar days from listing day (Closing)
1	Bharti Infratel Limited	41,727.60	220*	28-Dec-12	200	191.65	-12.89%	5,908.35	207.40	5,988.40	204.95	6,039.20	210.30	6,074.80
2	Credit Analysis and Research Limited	5,399.78	750	26-Dec-12	940	922.55	23.01%	5,905.60	929.25	5,988.40	931.05	6,056.60	924.85	6,074.65
3	Tara Jewels Limited	1,794.99	230	6-Dec-12	242	229.9	-0.04%	5,930.90	230.25	5,857.90	223.75	5,905.60	234.00	5,988.40
4	Future Ventures India Ltd.	7,500.00	10	10-May-11	9.00	8.20	-18.00%	5,541.25	8.30	5,486.35	8.10	5,473.10	9.30	5,521.05
5	Muthoot Finance Ltd.	9,012.50	175	6-May-11	196.60	175.90	0.51%	5,551.45	160.50	5,499.00	157.60	5,412.35	175.25	5,532.05
6	PTC India Financial Services Ltd.	4,332.76	28	30-Mar-11	26.75	24.90	-11.07%	5,787.65	23.00	5,785.70	21.50	5,740.75	21.65	5,749.50
7	Punjab & Sind Bank	4,708.20	120	30-Dec-10	144.00	127.15	5.96%	6,101.85	118.85	5,762.85	119.75	5,691.05	105.45	5,505.90
8	A2Z Maintenance & Engineering Services Ltd.	7,762.47	400	23-Dec-10	500.00	328.55	-17.86%	5,980.00	327.15	6,157.60	304.25	5,863.25	302.35	5,743.25
9	Claris Lifesciences	3,000.00	228	20-Dec-	224.40	205.85	-9.71%	19,888.88	204.85	20,389.07	199.10	19,224.12	185.35	18,978.32



Ltd.#	10													
10	Commercial Engineers & Body Builders Co. Ltd.	1,724.13	127	18-Oct-10	119.00	112.90	-11.10%	6,075.95	108.10	5,987.70	116.85	6,273.20	102.15	5,998.80

All above data is of NSE (Website [www.nseindia.com](http://www.nseindia.com))

BSE Data [www.bseindia.com](http://www.bseindia.com) (only Claris Lifesciences Limited as it's not listed on NSE)

Benchmark Index considered above in all the cases was NIFTY

\*Discount of ₹10 per equity share offered to retail investors and Premium of ₹10 per equity share to Anchor investors. All calculations are based on Issue Price of ₹220.00 per equity share

# As Claris Lifesciences Limited is listed only on BSE, the benchmark index considered is SENSEX

Note: 10th, 20th, 30th trading day from listed day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day

Summary statement of price information of past issues handled by ICICI Securities:

Financial Year	Total No. of IPO's	Total Funds Raised (₹ million)	Nos. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2013-14	0	Nil	0	0	0	0	0	0	0	0	0	0	0	0
2012-13	3	48,922.37	0	0	2	0	0	1	0	0	1	0	0	2
2011-12	2	16,512.50	0	0	1	0	0	1	0	0	1	0	0	1

### Track record of past issues handled by the BRLMs

For details regarding the track record of the Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the Manager	Website
1.	ICICI Securities Ltd.	<a href="http://www.icicisecurities.com">www.icicisecurities.com</a>
2	IIFL	<a href="http://www.iiflcap.com">www.iiflcap.com</a>



## FINANCIAL STATEMENTS

<b>Sr. No</b>	<b>Particulars</b>	<b>F- Page No</b>
1.	Auditor's Report for Consolidated Financial Statements of Financial Year 2012	F-1
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Auditor's Report on the Consolidated Financial Statements of Thomas Cook (India) Limited

The Board of Directors of Thomas Cook (India) Limited

1. We have audited the attached consolidated balance sheet of Thomas Cook (India) Limited (the "Company") and its subsidiaries; hereinafter referred to as the "Group" (refer Note 2 to the attached consolidated financial statements) as at 31<sup>st</sup> December 2012, the related consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Sri Lanka branch (refer Note 43) included in the consolidated financial statements, which constitute total assets of Rs. Nil and net assets of Rs. Nil as at 31<sup>st</sup> December, 2012, total revenue of Rs. 51,053,774, net profit of Rs 5,012,554 and net cash outflow amounting to Rs. 55,304,553 for the year then ended. This financial statement and other financial information have been audited by other auditor whose report have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statement is based solely on the report of such other auditor.
4. We did not audit the financial statements of 5 subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 384,722,439 and net assets of Rs. 257,538,075 as at 30<sup>th</sup> September, 2012/31<sup>st</sup> December, 2012 (refer Note 2), total revenue of Rs. 161,151,768, net loss of Rs. 4,275,097 and net cash inflow amounting to Rs. 96,564,292 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under sub-section 3C of Section 211 of the Companies Act, 1956.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> December 2012;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date: and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

Mumbai  
Date: 19th February, 2013

Nagnath V Pai  
Partner  
Membership Number: 036134

**Thomas Cook (India) Limited**  
**Consolidated Balance Sheet as at December 31, 2012**

Amount in Rupees

	Note	As at December 31, 2012	As at December 31, 2011
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	4	219,074,344	217,923,012
Reserves and Surplus	5	4,165,153,491	3,704,775,111
		4,384,227,835	3,922,698,123
Non-current Liabilities			
Long-term Borrowings	6	24,927,715	17,533,734
Other Long-term Liabilities	7	226,184,310	129,203,008
Long-term Provisions	8	10,866,215	20,223,968
Deferred Tax Liability (Net)	9	60,283,710	50,014,044
Current Liabilities			
Short-term Borrowings	10	1,837,665,493	2,231,340,489
Trade Payables	11	1,487,041,546	1,565,355,832
Other Current Liabilities	12	1,428,727,366	1,191,317,200
Short-term Provisions	13	92,901,955	102,457,988
<b>Total</b>		<b>9,552,826,145</b>	<b>9,230,144,386</b>
<b>ASSETS</b>			
Non-current Assets			
Fixed Assets			
Tangible Assets	14	869,878,859	849,762,977
Intangible Assets	14	1,572,730,240	1,601,859,307
Capital Work-in-Progress		2,158,755	5,552,062
Intangible Assets Under Development		26,026,141	28,877,480
Non-current Investments	15	964,454	964,469
Long-term Loans and Advances	16	530,282,050	353,869,466
Other Non-current Assets	17	165,597,978	9,840,562
Current Assets			
Current Investments	18	1,096,565,506	381,748,630
Trade Receivables	19	2,105,090,824	2,264,029,751
Cash and Bank Balances	20	2,077,056,802	2,724,944,723
Short-term Loans and Advances	21	824,656,719	804,103,773
Other Current Assets	22	281,817,817	204,591,186
<b>Total</b>		<b>9,552,826,145</b>	<b>9,230,144,386</b>
Summary of Significant Accounting Policies	3		
Contingent Liabilities, Capital Commitments	23,24		

The accompanying notes are an integral part of these Financial Statements.

In terms of our report of even date

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board

Nagnath V Pai  
Partner  
Membership No. 036134

Mahendra Kumar Sharma  
Chairman

Madhavan Menon  
Managing Director

R. R. Kenkare  
President & Head - Legal  
& Company Secretary

Debasis Nandy  
President &  
Chief Financial Officer

Mumbai, 19th February, 2013

Mumbai, 19th February, 2013

**Thomas Cook (India) Limited**  
**Consolidated Statement of Profit and Loss for the year ended December 31, 2012**

Amount in Rupees

	Note	Year ended December 31, 2012	Year ended December 31, 2011
Revenue			
Revenue from Operations	26	4,301,918,911	3,918,214,254
Other Income	27	103,141,775	187,154,038
<b>Total Revenue</b>		<b>4,405,060,686</b>	<b>4,105,368,292</b>
Expenses			
Employee Benefit Expenses	28	1,755,453,821	1,540,084,836
Finance Costs	29	310,093,031	307,830,903
Depreciation and Amortisation Expenses	30	141,798,385	139,350,757
Other Expenses	31	1,192,597,609	1,111,962,516
Advertisement Expenses		234,275,775	199,694,953
<b>Total Expenses</b>		<b>3,634,218,621</b>	<b>3,298,923,965</b>
<b>Profit Before Tax</b>		<b>770,842,065</b>	<b>806,444,327</b>
Tax Expense:			
Current Tax		263,591,020	271,505,660
Less - MAT Entitlement Credit [Refer Note 40]		(6,892,554)	(997,041)
Deferred Tax		9,785,766	(26,460,556)
<b>Profit After Tax</b>		<b>504,357,833</b>	<b>562,396,264</b>
Earning per Equity Share	32		
Basic (Face value of Re. 1 each)		2.37	2.65
Diluted (Face value of Re. 1 each)		2.31	2.58
Summary of Significant Accounting Policies	3		

The accompanying notes are integral part of these Financial Statements.

In terms of our report of even date

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board

Nagnath V Pai  
Partner  
Membership No. 036134

Mahendra Kumar Sharma  
Chairman

Madhavan Menon  
Managing Director

R. R. Kenkare  
President & Head - Legal  
& Company Secretary

Debasis Nandy  
President &  
Chief Financial Officer

Mumbai, 19th February, 2013

Mumbai, 19th February, 2013

**Thomas Cook (India) Limited**  
**Consolidated Cash Flow Statement for the year ended December 31, 2012**

Amount in Rupees

	Year ended December 31, 2012	Year ended December 31, 2011
<b>Cash Flows from Operating Activities</b>		
Net Profit Before Tax	770,842,065	806,444,327
Adjustments for :		
Interest Income	(13,085,113)	(4,201,056)
Dividend Income from Investments	(3,747,982)	(1,498,398)
(Write back)/Expenses on Employee Stock Options Schemes (Net)	(2,516,980)	9,171,293
Depreciation and Amortisation	141,798,385	139,350,757
Loss/(Profit) on sale of Fixed Assets (Net)	10,370,210	(72,660,499)
Interest on Income Tax Refund	(51,050,448)	(24,293,325)
Finance Costs	310,093,031	307,830,903
Provision for Diminution in the value of Long Term Investments	15	315
Bad Debts and Advances written off	48,358,684	13,971,345
Provision for Doubtful Debts and Advances (Net)	17,008,609	72,312,013
Operating Profit before Working Capital changes	1,228,070,476	1,246,427,675
Changes in Working Capital:		
(Decrease)/Increase in Trade Payables	(78,314,286)	464,930,097
(Decrease)/Increase in Provisions	(19,415,578)	5,840,656
Increase/(Decrease) in Other Liabilities	401,986,901	109,191,811
Decrease/(Increase) in Trade Receivables	122,729,701	(125,349,621)
(Increase)/Decrease in Loans and Advances	(230,389,118)	42,314,579
(Increase)/Decrease in Other Assets	(74,605,366)	(204,125,021)
Cash generated from operations	1,350,062,730	1,539,230,176
Income Taxes Paid (Net of refunds received)	(255,997,177)	(30,684,921)
Interest on Income Tax Refund	51,050,448	24,293,325
Net cash from Operating Activities	1,145,116,001	1,532,838,580
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of Fixed Assets	5,544,515	105,407,626
Purchase of Fixed Assets	(192,880,286)	(187,875,759)
Interest Received	10,463,848	7,883,727
Dividend Received	3,747,982	1,498,398
Purchase of Current Investments	(13,790,087,728)	(5,023,077,606)
Sale of Current Investments	13,075,270,851	4,796,136,109
Investment in Fixed deposits having maturity over three months	(156,328,673)	(16,675,395)
Net cash (used in) Investing Activities	(1,044,269,491)	(316,702,900)
<b>Cash Flows from Financing Activities</b>		
Proceeds from Issue of Equity Shares under Employee Stock Options Schemes	42,427,997	6,051,784
Dividend Paid for the Year	(79,814,489)	(79,454,171)
Tax on Dividend Paid for the Year	(12,947,913)	(12,889,463)
(Repayment of) / Proceeds from Borrowings (Net)	(393,674,996)	239,249,625
Proceeds from Finance Lease Liability (Net)	10,953,909	771,529
Finance Costs Paid	(325,818,468)	(276,778,727)
Net cash (used in) Financing Activities	(758,873,960)	(123,049,423)
<b>Effect of exchange fluctuation on translation reserve</b>	9,398,195	23,819,920
<b>Total (Decrease)/Increase in Cash and Cash Equivalents during the year</b>	(648,629,254)	1,116,906,177
<b>Cash and Cash Equivalents at the beginning of the year</b>	2,715,825,610	1,598,919,433
<b>Cash and Cash Equivalents at the end of the year</b>	2,067,196,356	2,715,825,610

Notes :

1 The above cash flow statement has been prepared under the „Indirect Method“ as set out in the Accounting Standard – 3 on Cash Flow Statements, notified under sub-section (3C) of Section 211 of The Companies Act, 1956.

2 Cash and cash equivalents-Refer Note 20

3 Previous year figures have been regrouped/reclassified wherever necessary.

This is the cash flow referred to in our report of even date

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board

Nagnath V Pai  
Partner  
Membership No. 036134

Mahendra Kumar Sharma  
Chairman

Madhavan Menon  
Managing Director

R. R. Kenkare  
President & Head - Legal  
& Company Secretary

Debasis Nandy  
President &  
Chief Financial Officer

Mumbai, 19th February, 2013

Mumbai, 19th February, 2013

**1 General Information :**

Thomas Cook (India) Limited (the "Company") is a Public Limited Company listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in diversified businesses primarily working as Authorised Foreign Exchange Dealers. The Company is also engaged in Tour and Travel Business and working as Travel Agent and Tour Operator.

**2 Basis of Consolidation**

The consolidated financial statements of Thomas Cook (India) Limited (the Company) and its subsidiary companies are prepared in accordance with Accounting Standard (AS) - 21 on Consolidated Financial Statements, as per the Companies (Accounting Standard) Rules, 2006. All Inter-Company balances and transactions have been eliminated.

2.1 List of subsidiary companies considered in the consolidated financial statements is as follows -

<u>Name of the Company</u>	<u>Country of Incorporation</u>	<u>Proportion of Ownership</u>
Travel Corporation (India) Limited	India	100%
Thomas Cook Insurance Services (India) Limited	India	100%
Indian Horizon Travel and Tours Limited	India	100%
Thomas Cook Tours Limited	India	100%
TC Visa Services (India) Limited*	India	100%
Thomas Cook Lanka (Private) Limited**	Sri Lanka	100%
Thomas Cook (Mauritius) Holding Company Limited#	Mauritius	100%
Thomas Cook (Mauritius) Operations Company Limited#	Mauritius	100%
Thomas Cook (Mauritius) Travel Limited#	Mauritius	100%
Thomas Cook (Mauritius) Holidays Limited#	Mauritius	100%

\*TC Visa Services (India) Limited was incorporated on 30th August, 2011 and is yet to commence its business. Figures from 30th August 2011 to 30th September 2012, being first year of incorporation, have been considered for consolidation. There are no significant transactions or other events from 1st October, 2012 to 31st December 2012. There is no change in the Company's interest in these subsidiaries from 1st October, 2012 to 31st December 2012.

\*\*Thomas Cook Lanka (Private) Limited was incorporated on 20th April, 2012 and commenced its business on 1st August, 2012. Figures from 1st August 2012 to 31st December 2012, being first year of incorporation, have been considered for consolidation.

# The accounting year for these Companies is October to September, hence these Companies are consolidated for the period 1st October, 2011 to 30th September, 2012. There are no significant transactions or other events from 1st October, 2012 to 31st December 2012. There is no change in the Company's interest in these subsidiaries from 1st October, 2012 to 31st December 2012.

2.2 The excess of cost of the Company of its investment in the subsidiary company over its share of equity of the subsidiary company, at the date on which the investment in the subsidiary company is made is recognised as Goodwill being an asset in the Consolidated Financial Statements.

**3 Summary of Significant Accounting Policies :**

3.1 Basis of Preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) and other relevant provisions of the Companies Act, 1956 (the "Act").

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

3.2 Fixed Assets (Tangible and Intangible) and Depreciation/Amortisation

(i) Tangible Assets

Tangible Assets are stated at the purchase price of acquisition of such fixed assets including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates determined based on the useful lives of the assets as estimated by the management, whichever are higher. The rates adopted for depreciation determined on the basis of useful lives of fixed assets are as follows:

<u>Description of Tangible Asset</u>	<u>Rate of Depreciation</u>
Computers	25%
Office Equipment - VSAT and Communication Router	10%
Vehicles	15%

Leasehold Improvements are amortised over the period of the lease.

Fixed assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

(ii) Intangible Assets

Intangible Assets are stated at the purchase price of acquisition of such fixed assets including any attributable cost for bringing the asset to its working condition for its intended use less accumulated amortisation and accumulated impairment losses, if any. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Intangible assets are amortised at rates specified in Schedule XIV of the Act or the rates determined based on the useful lives of the assets as determined by the management, whichever are higher. Depreciation is provided on Straight Line Method. The rates adopted for depreciation determined on the basis of useful life is as follows:

<u>Description of Intangible Asset</u>	<u>Rate of Amortisation</u>
Software (including software - internally generated/developed)	25%

3.3 (i) Foreign Currency Transactions

All the monetary items denominated in foreign currency are valued at the Foreign Exchange Dealers Association of India (FEDAI) rate (except for Sri Lanka branch/subsidiary ) and the exchange variations arising out of settlement/conversion at the FEDAI rate are recognised in the Statement of Profit and Loss.

Monetary items of Sri Lanka branch/subsidiary are valued at closing rates obtained from Central Bank of Sri Lanka, as the daily buying and selling rates are set on rates obtained from them.

Profit or loss on purchase and sale of foreign exchange by the Company in its capacity as Authorised Foreign Exchange Dealer are accounted as a part of the revenue.

In case of foreign exchange business at Mauritius Subsidiaries, foreign currency transactions are stated at the rate of exchange prevailing at the time of accounting such transactions and exchange variations are dealt within the Statement of Profit and Loss. Current assets and liabilities at the year end are converted at closing rates and exchange variations are recognised in the Statement of Profit and Loss.

(ii) Foreign Branch

Monetary assets and liabilities are translated at the closing exchange rates.

Non monetary assets are translated at the exchange rates prevailing on the date of the transaction.

Revenue items except depreciation are translated at average rate.

Depreciation is translated at the rates used for the translation of respective fixed assets.

(iii) Foreign Subsidiaries

All assets and liabilities are translated at closing exchange rate.

Revenue items are translated at average exchange rate.

Exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".

3.4 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

3.5 Employee Benefits

(i) Long-term Employee Benefits

(a) Defined Contribution Plans

The Company has Defined Contribution Plan for Post Employment Benefit in the form of Superannuation scheme. Contributions to Superannuation scheme are charged to the Statement of Profit and Loss as incurred. The contribution to Superannuation scheme are based on the premium contribution called for by Life Insurance Corporation of India (LIC) with whom the Company has entered into an arrangement for its Indian operations.

The Company has Defined Contribution Plans for Post Employment Benefits in the form of Provident Fund. Contributions to Defined Contribution schemes such as Provident Fund, etc. are charged to the Statement of Profit and Loss as incurred. The contributions are made to a government administered Provident Fund towards which the Company has no further obligations beyond its monthly contributions.

(b) Defined Benefit Plans

The Company has Defined Benefit Plan for Post Employment Benefit in the form of Gratuity. Contribution to gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the company has entered into an arrangement for its Indian operations. Any short fall based on independent actuarial valuation is accounted for in the relevant period.

In respect of certain employees, the Company has Defined Benefit Plan for Other Long-term Employee Benefit in the form of Provident Fund. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Any short fall/excess based on independent actuarial valuation is accounted for in the relevant period.

(ii) Short-term Employee Benefits

As per the leave Policy of the Company, employees are entitled to avail 30 days of leave during a year. Any carry forward or encashment of the same is not allowed and all unutilised leaves necessarily lapse at the end of the year.

(iii) Employee benefits of Sri Lanka branch/subsidiary and Mauritius companies are provided for on the basis of the local laws.

### 3.6 Employee Stock Option Schemes

Stock options granted to the employees under the stock option schemes established after June 19, 1999 are evaluated as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 as amended from time to time, issued by the Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognised as deferred employee compensation and is charged to Statement of Profit and Loss on graded vesting period of the options.

### 3.7 Revenue from Operations

Revenue comprises of travellers cheques commissions and margins on foreign exchange transactions in the normal course of business as authorised dealers, net commissions earned on travel management, service agency charges including profit or loss in respect of tour and card product activities. In line with established market practice, the income arising from the buying and selling of foreign currencies (net of brokerages paid) is included on the basis of margins achieved, since inclusion on the basis of their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.

### 3.8 Revenue Recognition

Commission on tickets and service charges from customers are recognised on issue of the tickets. Incentive from airlines are accounted on the basis of tickets issued to sectors travelled.

Revenue on foreign exchange transactions is recognised at the time of purchase and sale.

Revenue on holiday packages is recognised on proportionate basis considering the actual number of days completed as at the year end to the total number of days for each tour.

In case of Insurance business, commission on insurance policies sold is recognised on the effective commencement of the policies.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

Revenue from other income is accounted for on accrual basis.

### 3.9 Leases

Assets acquired under finance lease arrangements are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit and Loss.

### 3.10 Taxes on Income

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

### 3.11 Impairment of Assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount an impairment loss is recognised in the Statement of Profit and Loss to the extent carrying amount exceeds recoverable amount.

### 3.12 Provision and Contingent Liabilities

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. Where there is possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 3.13 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 3.14 Cash and Cash Equivalents

In the Cash Flow Statement, Cash and Cash Equivalents includes Cash on Hand, Cheques on Hand, Remittances in Transit, Balances with Bank held in Current Account and Demand Deposits with maturities of three months or less.

### 3.15 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

### 3.16 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Common Expenses".

**4 Share Capital**

Authorised:

345,827,060 Equity Shares of Re. 1 each

114,760,000 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each

355,294 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each

302,000 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each

125,000,000 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each

	As at December 31, 2012	As at December 31, 2011
345,827,060 Equity Shares of Re. 1 each	345,827,060	345,827,060
114,760,000 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,147,600,000	1,147,600,000
355,294 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each	3,552,940	3,552,940
302,000 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each	3,020,000	3,020,000
125,000,000 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,250,000,000	1,250,000,000
	<b>2,750,000,000</b>	<b>2,750,000,000</b>
Issued, Subscribed and Paid up :		
213,158,694 (Previous Year 212,007,362) Equity Shares of Re. 1 each fully paid-up	213,158,694	212,007,362
319,765 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of	3,197,650	3,197,650
271,800 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of	2,718,000	2,718,000
	<b>219,074,344</b>	<b>217,923,012</b>

## (a) Reconciliation of the number of shares

	As at December 31, 2012		As at December 31, 2011	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Balance as at the beginning of the year	212,007,362	212,007,362	211,807,699	211,807,699
Add : Addition on account of Stock Options allotment	1,151,332	1,151,332	199,663	199,663
Balance as at the end of the year	<b>213,158,694</b>	<b>213,158,694</b>	<b>212,007,362</b>	<b>212,007,362</b>

## (b) Rights, preferences and restrictions attached to shares

Equity Shares:-The Company has one class of equity shares having a par value of Rs. 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution to preference shareholders of all preferential amounts, in proportion to their shareholding.

Preference Shares:- 319,765 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each and 271,800 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each were issued on 7th February, 2007 to the erstwhile shareholders of LKP Merchant Financing Limited (presently known as LKP Finance Limited) pursuant to the Scheme of Amalgamation without payment being received in cash. The terms of redemption of these preference shares are given in Note (f).

## (c) Shares held by Holding Company and Subsidiary of Holding Company #

	As at December 31, 2012		As at December 31, 2011	
	No. of shares	Amount	No. of shares	Amount
<u>Equity Shares</u>				
Fairbridge Capital (Mauritius) Limited	185,653,725	185,653,725	-	-
TCIM Limited, UK	-	-	118,125,000	118,125,000
Thomas Cook UK Limited	-	-	45,346,449	45,346,449

# Refer Note 37

## (d) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at December 31, 2012		As at December 31, 2011	
	No. of shares	% of holding	No. of shares	% of holding
<u>Equity Shares</u>				
Fairbridge Capital (Mauritius) Limited	185,653,725	87.10%	-	-
TCIM Limited, UK	-	-	118,125,000	55.72%
Thomas Cook UK Limited	-	-	45,346,449	21.39%
<u>Preference Shares- 'Class B'</u>				
LKP Merchant Financing Limited	3,197,650	100.00%	3,197,650	100.00%
<u>Preference Shares- 'Class C'</u>				
LKP Merchant Financing Limited	2,718,000	100.00%	2,718,000	100.00%

## (e) Shares reserved for issue under Options

Number of shares to be issued under the Employee Stock Option Schemes

	As at December 31, 2012	As at December 31, 2011
	3,042,009	5,924,654

Refer Note 33 for details of shares to be issued under the Employee Stock Option Schemes.

## (f) Terms of securities convertible into Equity Shares

Class B Preference Shares :-

If the EPS of the Company for any EPS financial year during the Earn out period first exceeds Rs 30.30/-, each Class B Preference Share shall be converted into 1 (one) equity share of the Company within 6 (six) months from the expiry of the said EPS Financial Year. The number of the equity shares to be issued upon conversion of the Class B Preference shares shall be proportionately adjusted in case of any subdivision of equity shares or Bonus issues of equity shares during the Earn Out period. Provided however that if the EPS of the Company does not exceed Rs 30.30/- for any EPS Financial Year comprised in the Earn Out period, each Class B Preference share shall be redeemed by the Company at par within 6 (Six) months from the expiry of the Earn Out period.

**Class C Preference Shares :-**

If the EPS of the Company for any EPS financial year during the Earn out period first exceeds Rs 36.40, each Class C Preference Share shall be converted into 1 (one) equity share of the Company within 6 (six) months from the expiry of the said EPS Financial Year. The number of the equity shares to be issued upon conversion of the Class C Preference shares shall be proportionately adjusted in case of any subdivision of equity shares or Bonus issues of equity shares during the Earn Out period. Provided however that if the EPS of the Company does not exceed Rs 36.40 for any EPS Financial Year comprised in the Earn Out period, each Class C Preference share shall be redeemed by the Company at par within 6 (Six) months from the expiry of the Earn Out period.

Pursuant to sub division of equity share capital of Company in May 2007, wherein the face value of equity share of Rs. 10 each was sub-divided into equity share of Re.1 each, the aforesaid EPS figures have respectively been adjusted to Rs 3.03/- and Rs. 3.64/- per the terms of issue of those shares. Both Class B and Class C Preference Shares will be due for redemption on 31st December, 2013 if not converted before the said date.

**5 Reserves and Surplus**

Securities Premium Account

Balance as at the beginning of the year  
Add : Addition on account of Stock Options allotment  
Add : Transferred from Stock Options Outstanding  
Balance as at the end of the year

Stock Options Outstanding Account

Balance as at the beginning of the year  
Add: (Write back)/Charge for options lapsed/granted during the year (Net)  
Less: Transfer to Securities Premium on exercise of stock options during the year  
Balance as at the end of the year

General Reserve

Balance as at the beginning of the year  
Add: Transfer from Surplus in Statement of Profit and Loss during the year  
Balance as at the end of the year

Foreign Currency Translation Reserve

Surplus in Statement of Profit and Loss

Balance as at the beginning of the year  
Profit for the year  
Less: Appropriations  
    Transfer to General Reserve  
    Dividend for the previous year paid during the year  
    Corporate Dividend Tax for the Previous year and paid during the year  
    Proposed dividend on Equity Shares for the year  
    Proposed dividend on Preference Shares for the year  
    Corporate Dividend Tax  
Balance as at the end of the year

	As at December 31, 2012	As at December 31, 2011
	1,640,748,001	1,634,578,415
	41,276,665	5,852,121
	3,348,515	317,465
	<b>1,685,373,181</b>	<b>1,640,748,001</b>
	17,274,612	8,420,784
	(2,516,980)	9,171,293
	3,348,515	317,465
	<b>11,409,117</b>	<b>17,274,612</b>
	227,889,249	171,977,040
	49,206,351	55,912,209
	<b>277,095,600</b>	<b>227,889,249</b>
	32,749,330	22,224,274
	1,796,638,975	1,381,972,524
	504,357,833	562,396,264
	49,206,351	55,912,209
	311,669	26,225
	50,570	4,254
	79,934,510	79,502,761
	59	59
	12,967,386	12,284,305
	<b>2,158,526,263</b>	<b>1,796,638,975</b>
	<b>4,165,153,491</b>	<b>3,704,775,111</b>

**6 Long-term Borrowings**

(Secured)

Long-term maturities of Finance Lease Obligations

(a) Nature of Security and terms of repayment for secured borrowings

Nature of Security

Finance Lease Obligations are secured by hypothecation of assets underlying the leases.

Terms of Repayment

Monthly payment of Equated Monthly Installments beginning from the month of taking the lease.

	As at December 31, 2012	As at December 31, 2011
	24,927,715	17,533,734

**7 Other Long-term Liabilities**

Liability against Security Deposit from Vendor  
Income Received in Advance

	As at December 31, 2012	As at December 31, 2011
	162,202,261	9,527,045
	63,982,049	119,675,963
	<b>226,184,310</b>	<b>129,203,008</b>

**8 Long-term Provisions**

Provision for Employee Benefit  
Provision for Gratuity

	As at December 31, 2012	As at December 31, 2011
	10,866,215	20,223,968

**Thomas Cook (India) Limited**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st December, 2012

Amount in Rupees

**9 Deferred Tax Liability (Net)**

Deferred Tax Liability	
On Fiscal Allowances on Fixed Assets	
Less: Deferred Tax Assets	
On Provisions Allowable for tax purposes when paid	
On Unabsorbed Business Losses	
On Provision for Doubtful Debts and Advances	

As at December 31, 2012	As at December 31, 2011
151,746,563	146,582,369
6,796,579	10,262,892
26,272,044	34,312,047
58,394,230	51,993,386
60,283,710	50,014,044

**10 Short-term Borrowings**

(Unsecured)

Short-term Loan from Banks	
Commercial Paper	
Bank Overdrafts	

As at December 31, 2012	As at December 31, 2011
540,000,000	1,095,000,000
1,158,813,330	896,485,950
138,852,163	239,854,539
1,837,665,493	2,231,340,489

**11 Trade Payables**

Trade Payables

[Includes Book Overdrafts aggregating to Rs.176,863,822 (Previous Year Rs. 453,201,432) ]

As at December 31, 2012	As at December 31, 2011
1,487,041,546	1,565,355,832

**12 Other Current Liabilities**

Current maturities of Finance Lease Obligations	
Income Received in Advance	
Advance receipts from Customers for which value is still to be given (Including Travellers Cheques, Drafts and Transfers Unpaid)	
Unpaid Dividends @	
Employee Benefits Payable	
Liabilities against Expenses	
Liabilities against Fixed Assets	
Interest Accrued but not Due	
Statutory Dues including Provident Fund and Tax deducted at Source	
Fractional Entitlement on Bonus Shares Refund Accounts	
Others	

As at December 31, 2012	As at December 31, 2011
10,310,157	6,750,229
64,737,115	59,446,088
823,797,732	665,669,580
2,454,415	2,284,398
177,366,515	115,630,212
227,869,891	192,244,493
791,900	56,391,900
23,043,657	38,769,094
88,074,893	45,509,741
49,066	49,066
10,232,025	8,572,399
1,428,727,366	1,191,317,200

@ There is no amount due for transfer to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

**13 Short-term Provisions**

Provision for Employee Benefits	
Provision for Provident Fund	
Provision for Leave Encashment	
Other Provisions	
Provision for Proposed Dividend on Equity Shares	
Provision for Proposed Dividend on Preference Shares	
Provision for Dividend Distribution Tax	

As at December 31, 2012	As at December 31, 2011
-	2,966,256
-	7,091,569
79,934,510	79,502,761
59	59
12,967,386	12,897,343
92,901,955	102,457,988

**15 Non-current Investments**

Long-term (at cost)  
Trade Investments  
(Unquoted unless otherwise stated)  
- 676 fully paid-up Class C (Series I) Common Stock of USD 0.0001 each of Visa Inc.

Non-Trade Investments (Quoted Equity Shares)  
- 10 fully paid-up Equity Shares of Rs. 10 each of JIK Industries Limited - Quoted  
- 100 fully paid-up Equity Shares of Rs. 10 each of Weizmann Limited - Quoted  
- 66 fully paid-up Equity Shares of Rs. 10 each of Karma Energy Limited - Quoted  
- 66 fully paid-up Equity Shares of Rs. 10 each of Weizmann Forex Limited - Quoted

Aggregate Amount of Quoted Investments  
Aggregate Market Value of Quoted Investments  
Aggregate Amount of Unquoted Investments  
Aggregate Provision for Diminution in value of Investments

As at December 31, 2012	As at December 31, 2011
962,589	962,589
25	40
719	719
615	615
506	506
964,454	964,469
1,865	1,880
8,302	5,338
962,589	962,589
18,135	18,120

**16 Long-term Loans and Advances**

(Unsecured, Considered good)

Capital Advances  
Security Deposits  
Advance Tax [Net of Provision for Tax ]  
MAT Credit Entitlement [Refer Note 40]  
Prepaid Expenses  
Other Business Advances

As at December 31, 2012	As at December 31, 2011
966,278	4,530,510
350,537,307	288,802,794
15,586,170	23,180,013
13,319,904	6,427,350
149,872,391	14,222,957
-	16,705,842
530,282,050	353,869,466

**17 Other Non-current Assets**

Fixed Deposit with Banks with maturity period more than 12 months  
[On lien with various authorities Rs. 13,261,828 (Previous Year Rs. 9,840,562) ]

As at December 31, 2012	As at December 31, 2011
165,597,978	9,840,562

**18 Current Investments**

Current - Trade (Unquoted)  
Investment in The Government of Mauritius Treasury Bills

Current - Non - Trade (Unquoted)  
In fully paid up Units of Mutual Funds  
- 399,810 (Previous Year - 199,951) Units of Rs. 1,000 each of Templeton Treasury Management Account-Super Institutional Plan - Daily Dividend  
- 1,996,441 (Previous Year - Nil) Units of Rs. 100 each - Birla Sun Life Cash Plus - Instl. Prem.- Daily Dividend - Reinvestment  
- 19,615,342 (Previous Year - Nil) Units of Rs. 10 each - HDFC Cash Management Fund - Savings Plan- Daily Dividend Reinvestment  
- 199,360 (Previous Year - Nil) Units of Rs. 1,000 each - UTI Money Market Fund- Daily Dividend Reinvestment  
- 5,884,603 (Previous Year - Nil) Units of Rs.10 each of HDFC Liquid Fund - Dividend - Daily Reinvestment  
- 13,959,951 (Previous Year - Nil) Units of Rs. 10 each - SBI Premium Liquid Fund - Super Institutional- Daily Dividend Option

Aggregate Amount of Unquoted Investments

As at December 31, 2012	As at December 31, 2011
36,365,472	41,609,792
400,078,326	200,085,625
200,033,403	-
200,041,184	-
200,034,766	-
60,012,355	-
-	140,053,213
1,096,565,506	381,748,630
1,096,565,506	381,748,630

**19 Trade Receivables**

Outstanding for a period exceeding six months from the date they were due for payment  
Unsecured, Considered Good  
Unsecured, Considered Doubtful  
Less: Provision for Doubtful Debts

Others  
Unsecured, Considered Good  
Unsecured, Considered Doubtful  
Less: Provision for Doubtful Debts

As at December 31, 2012	As at December 31, 2011
11,319,404	17,212,069
147,089,112	158,569,915
(147,089,112)	(158,569,915)
2,093,771,420	2,246,817,682
-	668,655
-	(668,655)
2,105,090,824	2,264,029,751

**Thomas Cook (India) Limited**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st December, 2012

Amount in Rupees

**20 Cash and Bank Balances**

Cash and Cash Equivalents	
Cash on Hand (including Foreign Currencies - Notes and paid documents)	
Cheques/Drafts on Hand	
Remittances in Transit (including Foreign Currencies - Notes and paid documents)	
Bank Balances	
- In Current Accounts	
- Fixed Deposits (less than 3 months maturity)	
[On lien with various authorities Rs. 60,632,664 (Previous Year Rs. Nil)]	
Other Bank Balances	
Fixed Deposit (maturity more than 3 months but less than 12 months)	
[On lien with various authorities Rs. 215,757 (Previous Year Rs. 1,448,113)]	
Unpaid Dividend Account	

As at December 31, 2012	As at December 31, 2011
732,823,624	1,120,749,019
74,492,649	66,407,095
377,299,220	715,000,211
736,215,250	783,999,285
146,365,613	29,670,000
2,067,196,356	2,715,825,610
7,406,031	6,834,774
2,454,415	2,284,339
9,860,446	9,119,113
2,077,056,802	2,724,944,723

**21 Short-term Loans and Advances**

(Unsecured, Considered good unless otherwise stated)

Advances to Suppliers	
- Considered Good	
- Considered Doubtful	
Less: Allowance for Doubtful Loans and Advances	
Other Loans and Advances	
- Security Deposit	
- Service Tax Credit Receivable	
- Prepaid Expenses	
- Advance to Employees	

As at December 31, 2012	As at December 31, 2011
573,491,383	578,900,147
31,158,067	2,000,000
(31,158,067)	(2,000,000)
573,491,383	578,900,147
75,420,236	100,840,724
46,554,432	30,514,032
111,519,634	69,021,320
17,671,034	24,827,550
824,656,719	804,103,773

**22 Other Current Assets**

(Unsecured, Considered good)

Interest Accrued on Deposits	
Accrued Revenue	

As at December 31, 2012	As at December 31, 2011
3,089,344	468,079
278,728,473	204,123,107
281,817,817	204,591,186

**23 Contingent Liabilities**

Contingent Liabilities

(i) Claims against the Company not acknowledged as debts:	
- Demand from Bombay Electricity Supply and Transport (BEST) for Electricity Charges	
- Revocation of Bank Guarantee given to Airports Authority of India	
- Disputed claims made by clients	
(ii) Disputed Income Tax demands	
(iii) Disputed Service Tax demands	
(iv) Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation	

As at December 31, 2012	As at December 31, 2011
1,961,083	1,961,083
-	5,387,244
2,633,519	-
195,706,035	169,163,815
2,319,680,492	1,533,652,073
49,615,440	45,480,820

Note:

Future cash outflows in respect of (i) to (iv) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

**24 Capital Commitments**

Capital Commitments	
Estimated amount of contracts remaining to be executed on capital account not provided for	

As at December 31, 2012	As at December 31, 2011
2,216,443	9,294,809

**25 Proposed Dividend**

The Final Dividend Proposed for the year is as follows:

On Equity Shares of Re. 1 each	
Amount of Dividend Proposed	
Dividend per Equity Share (% of Face Value)	
On Preference Shares 'Class B' of Rs. 10 each	
Amount of Dividend Proposed	
Dividend per Preference Share (% of Face Value)	
On Preference Shares 'Class c' of Rs. 10 each	
Amount of Dividend Proposed	
Dividend per Preference Share (% of Face Value)	

As at December 31, 2012	As at December 31, 2011
79,934,510	79,502,761
37.50%	37.50%
32	32
0.001%	0.001%
27	27
0.001%	0.001%

**Thomas Cook (India) Limited**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st December, 2012

Amount in Rupees

**26 Revenue from Operations**

	Year ended December 31, 2012	Year ended December 31, 2011
Sale of Services	4,153,981,161	3,812,953,069
Other Operating Revenue		
Education and Training Income	13,343,000	11,972,751
Liabilities no longer required written back	134,594,750	93,288,434
	4,301,918,911	3,918,214,254

**27 Other Income**

	Year ended December 31, 2012	Year ended December 31, 2011
Interest Income		
On Deposit	11,068,146	3,401,785
On Others	2,016,967	799,271
On Income Tax Refund	51,050,448	24,293,325
Dividend Income from Investments	3,747,982	1,498,398
Profit on Sale of Fixed Assets (Net)	-	72,660,499
Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers	16,424,960	21,285,194
Recovery of Expenses	-	43,038,325
Miscellaneous Income	18,833,272	20,177,241
	103,141,775	187,154,038

**28 Employee Benefit Expenses**

	Year ended December 31, 2012	Year ended December 31, 2011
Salaries, Wages and Bonus	1,450,870,191	1,303,707,831
Contribution to Provident and Other Funds	67,449,394	72,207,404
Premium on / Provision for Gratuity-cum-Life Assurance Policy (Write back)/Expense on Employee Stock Option Scheme (Net)	16,866,331	15,648,868
Staff Welfare Expenses	(2,516,980)	9,171,293
Staff Training, Recruitment and Other Costs	83,555,758	76,804,254
Incentive / Commission to Staff and Directors	24,171,478	20,229,922
	115,057,649	42,315,264
	1,755,453,821	1,540,084,836

**29 Finance Costs**

	Year ended December 31, 2012	Year ended December 31, 2011
Borrowing Costs	196,833,677	203,167,712
Other Finance Charges	113,259,354	104,663,191
	310,093,031	307,830,903

**30 Depreciation and Amortisation Expenses**

	Year ended December 31, 2012	Year ended December 31, 2011
Depreciation on Tangible Assets	71,991,339	68,506,637
Amortisation on Intangible Assets	69,807,046	70,844,120
	141,798,385	139,350,757

**31 Other Expenses**

	Year ended December 31, 2012	Year ended December 31, 2011
Rent	241,343,542	220,665,218
Rates and Taxes	29,840,063	11,049,263
Insurance	12,488,691	12,034,871
Repairs to Buildings	998,546	765,880
Repairs to Others	130,578,712	96,306,593
Electricity	50,685,358	41,386,170
Printing and Stationery	29,121,778	28,932,247
Postage, Telegrams and Telephones	138,917,896	128,294,026
Freight Currency Shipment	33,229,219	30,794,216
Legal and Professional Charges #	198,754,891	206,176,205
Travelling and Conveyance	120,748,956	120,225,799
Directors' Sitting Fees	842,186	2,773,326
Security Services	38,976,105	36,524,391
Vehicle Running and Maintenance	21,732,202	28,705,944
Licence Fees	21,681,095	20,119,186
Bad Debts and Advances written off	48,358,684	13,971,345
Provision for Doubtful Debts and Advances (Net)	17,008,609	72,312,013
Provision for Diminution in the value of Long Term Investments	15	315
Donations	30,000	67,854
Loss on sale of Fixed Assets (Net)	10,370,210	-
Miscellaneous Expenses	46,890,851	40,857,654
	<b>1,192,597,609</b>	<b>1,111,962,516</b>

# Legal and Professional Charges include payment to Auditors' :

As auditor

- i Statutory Audit
- ii Limited Reviews
- iii Reports under the provisions of the Income-tax Act, 1961
- iv Miscellaneous Reports
- v For reimbursement of expenses
- vi Branch Auditor's Remuneration

	Year ended December 31, 2012	Year ended December 31, 2011
	5,349,000	5,249,000
	1,800,000	1,800,000
	3,775,000	3,775,000
	185,000	2,970,000
	206,100	241,400
	232,782	457,943
	<b>11,547,882</b>	<b>14,493,343</b>

**32 Earnings Per Share (EPS)**

The components of Basic and Diluted Earnings Per Share are as follows:

- (a) Net Profit available to Equity Shareholders \*
  - (b) Weighted average number of Outstanding Equity Shares
    - Considered for Basic EPS
    - Add : Effect of Conversion of Preference Shares
    - Add : Effect of Dilutive Issue of Stock Options
    - Considered for Diluted EPS
  - (c) Earnings Per Share in Rs.
    - Basic
    - Diluted
- (Nominal Value per Share Re. 1/- each)

	Year ended December 31, 2012	Year ended December 31, 2011
	504,357,764	562,396,193
	212,734,691	211,895,585
	5,915,650	5,915,650
	517,447	415,856
	<b>219,167,788</b>	<b>218,227,091</b>
	2.37	2.65
	2.31	2.58

\* Dividend amounting to Rs. 69 (Previous Year Rs. 69) (including Dividend Distribution Tax) on Preference Shares outstanding during the year has been considered in determining the Earning per Share for year ended December 31, 2012.

**34 Effect of Employee Stock Option Schemes on the Balance Sheet and Statement of Profit and Loss:**

	Year ended December 31, 2012	Year ended December 31, 2011
(Write back)/Expense arising from employee share-based payment plan (Net) [Refer Note 28]	(2,516,980)	9,171,293
Share Options Outstanding Account [Refer Note 5]	11,409,117	17,274,612

**35 Leases**

	Year ended December 31, 2012	Year ended December 31, 2011
(A) Finance Leases		
(i) Minimum Lease Payments payable		
- Not later than one year	13,944,289	9,043,258
- Later than one year but not later than five years	28,466,397	19,989,226
	42,410,686	29,032,484
(ii) Present Value of Minimum Lease Payments payable		
- Not later than one year	10,310,157	6,750,229
- Later than one year but not later than five years	24,927,715	17,533,734
	35,237,872	24,283,963
(iii) Reconciliation of Minimum Lease Payments and their Present Value		
- Minimum Lease Payments Payable as per (i) above	42,410,686	29,032,484
- Less: Finance Charges to be recognised in subsequent years	7,172,814	4,748,521
- Present Value of Minimum Lease Payments payable as per (ii) above	35,237,872	24,283,963
(iv) Finance Charges recognised in the Statement of Profit and Loss	4,256,317	2,602,408
(B) Operating Leases		
Disclosures in respect of cancellable agreements for office and residential premises taken on lease		
(i) Lease payments recognised in the Statement of Profit and Loss	257,516,759	244,001,640
(ii) Significant leasing arrangements		
- The Company has given refundable interest free security deposits under certain agreements.		
- The lease agreements are for a period of eleven months to ninety years.		
- The lease agreements are cancellable at the option of either party by giving one month to six months' notice.		
- Certain agreements provide for increase in rent.		
- Some of the agreements contain a provision for their renewal.		
(iii) Future minimum lease payments under non-cancellable agreements		
- Not later than one year	22,998,191	40,379,818
- Later than one year and not later than five years	12,313,544	35,962,689
- Later than five years	1,619,762	2,323,943

**36 Segmental Information**

Segment information is provided so that the users of these financial statements can appreciate the diverse nature of the businesses carried out by Thomas Cook (India) Limited and its subsidiary companies.

- (i) Business Segments
- Financial services Include wholesale purchase and sale of foreign currencies and paid documents
  - Travel and related services Include retail purchase and sale of foreign currencies and paid documents, tour operations, travel management and travel insurance
- (ii) Geographical Segments
- India Include revenue from customers within India
  - Rest of the world Include revenue from customers outside India

	Year ended December 31, 2012	Year ended December 31, 2011
(I) Information in respect of Primary Segments		
(a) Segment Revenue		
Financial Services	532,580,623	483,206,493
Travel and Related Services	3,769,338,288	3,435,007,761
	4,301,918,911	3,918,214,254
(b) Segment Result		
Financial Services	289,237,799	287,565,649
Travel and Related Services	1,351,536,450	1,310,100,211
	1,640,774,249	1,597,665,860
Less: Unallocated Corporate Expenditure	559,839,153	483,390,630
Operating Profit	1,080,935,096	1,114,275,230
Less: Interest Expense	310,093,031	307,830,903
Profit Before Tax	770,842,065	806,444,327
(c) Other Information		
(i) Segment Assets		
Financial Services	1,638,963,464	1,551,935,895
Travel and Related Services	4,948,485,117	5,117,881,304
	6,587,448,581	6,669,817,199
Add: Unallocated Corporate Assets	2,965,377,564	2,560,327,187
	9,552,826,145	9,230,144,386
(ii) Segment Liabilities		
Financial Services	496,430,729	256,218,264
Travel and Related Services	1,774,729,229	2,547,674,474
	2,271,159,958	2,803,892,738
Add: Unallocated Corporate Liabilities	2,897,438,352	2,503,553,525
	5,168,598,310	5,307,446,263
(iii) Segment Capital Employed (Segment Assets less Segment Liabilities)		
Financial Services	1,142,532,735	1,295,717,631
Travel and Related Services	3,173,755,890	2,570,206,830
	4,316,288,625	3,865,924,461
Add: Unallocated Corporate Capital Employed	67,939,210	56,773,662
	4,384,227,835	3,922,698,123
(iv) Capital Expenditure		
Financial Services	24,980,810	32,790,301
Travel and Related Services	82,257,439	17,987,816
	107,238,249	50,778,117
Add: Unallocated Corporate Capital Expenditure	39,850,915	158,207,497
	147,089,164	208,985,614
(v) Depreciation/Amortisation		
Financial Services	21,183,173	20,302,115
Travel and Related Services	89,483,349	82,841,338
	110,666,522	103,143,453
Add: Unallocated Corporate Depreciation/Amortisation	31,131,863	36,207,304
	141,798,385	139,350,757
(vi) Significant Non-Cash Expenditure		
Financial Services	296,238	5,993,243
Travel and Related Services	65,071,055	80,290,115
	65,367,293	86,283,358

	Year ended December 31, 2012	Year ended December 31, 2011
(II) Information in respect of Secondary Segments		
(a) Segment Revenue		
India	3,749,046,909	3,389,890,108
Rest of the World	552,872,002	528,324,146
	4,301,918,911	3,918,214,254
(b) Carrying amount of Segment Assets		
India	5,960,598,072	6,016,910,165
Rest of the World	626,850,511	652,907,034
	6,587,448,583	6,669,817,199
Add: Unallocated Segment Assets	2,965,377,562	2,560,327,187
	9,552,826,145	9,230,144,386
(c) Capital Expenditure		
India	98,825,480	35,656,267
Rest of the World	8,412,770	15,121,849
	107,238,250	50,778,116
Add: Unallocated Capital Expenditure	39,850,914	158,207,498
	147,089,164	208,985,614

**37** The entire Promoter Shareholding of 163,471,449 Equity Shares of the Company that was pledged on January 10, 2012 was released from pledge on August 14, 2012. The aforesaid Promoters' stake was transferred to Fairbridge Capital (Mauritius) Limited ("Fairbridge"), a subsidiary of Fairfax Financial Holdings Limited, Canada, on August 14, 2012 at Rs. 50/- per equity share in terms of the share purchase agreement amongst themselves. Further, Fairbridge has acquired 22,182,276 shares from the Non-promoters through the open offer at a price of Rs. 65.48/- per equity share in terms of the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, which was transferred to it on August 14, 2012. The same was communicated to the Stock Exchanges at the relevant times.

**38 Related Party Disclosures**

- (A) Enterprises where control exists  
 Holding Company Fairbridge Capital (Mauritius) Limited, Mauritius holds 87.10% of Equity Shares of the Company. Fairbridge Capital (Mauritius) Limited is a step-down subsidiary of Fairfax Financial Holdings Limited, Canada the Ultimate Holding Company.
- (B) Other Related Parties with whom the Company had transactions during the year
- (i) Fellow Subsidiaries  
 Thomas Cook AG, Germany (upto 14th August, 2012)  
 Thomas Cook Tour Operations Limited, UK (upto 14th August, 2012)  
 Thomas Cook Signature Limited, UK (upto 14th August, 2012)  
 Thomas Cook Reisen, Germany (upto 14th August, 2012)  
 Neckermann Reisen, Germany (upto 14th August, 2012)  
 Thomas Cook Overseas Limited, Egypt (upto 14th August, 2012)
- (ii) Key Management Personnel  
 Madhavan Menon  
 R. R. Kenkare  
 Madhav Pai (w.e.f 17th August 2012)  
 Ambreesh Mahajan (w.e.f 15th November 2012)  
 Debasis Nandy (w.e.f 18th August 2012)  
 Vinayak K. Purohit (upto 17th August 2012)  
 Rakshit Desai (upto 16th July 2012)  
 Dr. D. Prasanth Nair (upto 10th May 2012)  
 Amitabh Pandey (upto 31st August 2012)
- (iii) Relatives of Key Management Personnel  
 Lili Menon
- (C) Disclosure of transactions between the Company and Related Parties mentioned above and outstanding balances as at the year end:

	Year ended December 31, 2012	Year ended December 31, 2011
(i) Holding Company		
License Fees		
Thomas Cook UK Limited (upto 14 August, 2012)	14,461,220	20,051,185
Reimbursement of Expenses (Net)		
Thomas Cook UK Limited (upto 14 August, 2012)	5,905,110	23,421,576
Dividend remitted		
TCIM Limited, UK	44,296,875	44,296,875
Thomas Cook UK Limited	17,004,918	17,004,918
Balances as at the year end -		
Outstanding Payables		
Thomas Cook UK Limited**	-	30,813,650

\*\*The balance is not disclosed as the related party relationship does not exist as at 31st December, 2012

**Thomas Cook (India) Limited**

Notes forming part of the Consolidated Financial Statements as at and for the year ended 31st December, 2012

Amount in Rupees

	Year ended December 31, 2012	Year ended December 31, 2011
(ii) Fellow Subsidiaries		
Sale of Services*		
Thomas Cook Tour Operations Limited, UK (upto 14th August, 2012)	188,633,410	400,801,192
Thomas Cook AG, Germany (upto 14th August, 2012)	-	28,858,138
Thomas Cook, Northern Europe (upto 14th August, 2012)	4,986,636	24,685,596
Others (upto 14th August, 2012)	12,482,857	28,689,016
Services Availed #		
Thomas Cook Overseas Limited, Egypt (upto 14th August, 2012)	6,310,306	9,628,098
Balances as at the year end -		
Outstanding Receivables		
Thomas Cook Tour Operations Limited, UK **	-	21,321,790
Thomas Cook AG, Germany **	-	-
Thomas Cook, Northern Europe **	-	3,422,783
Others **	-	4,946,097
Outstanding Payables		
Thomas Cook Overseas Limited, Egypt (upto 14th August, 2012)**	-	4,718,008
*Sale value of transactions		
# Purchase value of transactions		
**The balance is not disclosed as the related party relationship does not exist as at 31st December, 2012		
(iii) Key Management Personnel		
Remuneration @		
Madhavan Menon	20,914,758	19,044,969
R. R. Kenkare	10,554,463	9,710,318
Madhav Pai	4,313,399	-
Ambreesh Mahajan	1,254,355	-
Debasis Nandy	3,154,658	-
Vinayak K. Purohit	17,455,087	16,376,616
Rakshit Desai	31,313,277	28,762,863
Dr. D. Prasanth Nair	4,022,147	7,474,076
Amitabh Pandey	6,858,073	6,809,988
	99,840,217	88,178,830
@ Gratuity is contributed for the Company as a whole and hence excluded		
(iv) Relatives of Key Management Personnel		
Rent Expense		
Lili Menon	1,926,000	1,926,000
Balances as at the year end -		
Deposit Receivable		
Lili Menon	16,500,000	16,500,000

**39** The tax year for the Company being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31st March, 2012 and the provision based on the figures for the remaining nine months up to 31st December, 2012, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2012 to 31st March, 2013.

**40** As per the provision of Section 115JAA, MAT Credit receivable has been recognized on the basis of return of income filed for the previous years. MAT credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period (as per the Income Tax Act, 1961). MAT credit is recognised as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India and disclosed in the Note 16, Long-term Loans and Advances. The said assets is created by the way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company will review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period (as per the Income Tax Act, 1961).

**33 Employee Stock Option Schemes**

**Thomas Cook Employees Stock Option Plan -2007**

The Company has established an Employee Stock Option Plan called -"Thomas Cook Employees Stock Option Plan - 2007". The same has been approved by a Special Resolution passed by the Shareholders by a Postal Ballot on 23rd March ,2007.

The Scheme is in accordance with the provisions of Securities and Exchange Board of India (SEBI)- (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines ,1999. The exercise price is as governed by the guidelines issued by SEBI.

The objectives of this plan are :

- (a) Motivate talent in the organization with a view to achieve long term business goals.
- (b) Retain key talent in the organization
- (c) Foster ownership and motivation.

The grant of options to employees under the stock option scheme is on the basis of their performance and other eligibility criteria. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The unvested options shall vest with the participant in 3 equal annual installments on each of the anniversaries from the Grant Date.

**Thomas Cook Save As You Earn (SAYE) -2010**

Further to the Thomas Cook Employees Stock Option Plan - 2007, the Company has established a Thomas Cook Save As You Earn (SAYE), Scheme - 2010. The SAYE scheme has been approved by a Special Resolution passed on 14th December, 2010, by the shareholders by means of a Postal Ballot and shall be effective from that date. SAYE is a Monthly Savings Contribution Scheme available to all employees of Thomas Cook (India) Limited and its subsidiaries provided that they have completed at least 6 months in the organization.

The objectives of the SAYE Scheme -2010 are same as Thomas Cook Employees Stock Option Plan -2007.

SAYE allows employees to save a part of their net pay every month which gets deposited with a bank in a recurring deposit account carrying fixed rate of interest. At the end of 3 years, employees have the option to either purchase specific number of equity shares of Thomas Cook (India) Limited at the predetermined exercise price or withdraw the monthly savings contributions along with interest accrued.

Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The maximum number of options granted per participant per grant will not exceed 200,000 (Two Hundred Thousand) equity shares. The maximum number of equity shares that may be issued / transferred pursuant to the exercise of options granted under the SAYE scheme shall not exceed 3,000,000 (Three Million) equity shares.

Vesting under the scheme is linked to the continued association with the Group. The options would vest only when an employee has completed the committed 36 monthly contributions. The exercise period would not be more than one month from the date of vesting.

**Following are the details of Options granted under these Schemes as on December 31, 2012 :**

Particulars	Grant Registration					
	GT 25 Jul 2007 25-Jul-07	GT 10 Jul 2008 10-Jul-08	GT 20 Mar 2009 20-Mar-09	GT 27 May 2010 27-May-10	SAYE 14 Dec 2010 14-Dec-10	GT 17 Feb 2011 17-Feb-11
Grant Date (GT)						
Pricing Formula	95 % of the closing market price on the stock exchange where higher number of shares are traded			90% of the closing market price on the stock exchange where higher number of shares are traded		
Exercise Price (Rs. Per Share)	61.89	77.62	30.31	52.74	50.40	47.57
No. of Options Granted and Accepted	1,104,125	1,240,000	2,068,725	991,313	1,042,771	1,397,825
No. of Options Yet to be Vested	-	-	-	155,715	642,212	515,199
No. of Options Vested and Exercisable	401,500	475,500	482,213	261,348	-	108,322
No. of Options Exercised	113,540	-	1,228,352	175,474	-	208,299
No. of Options Lapsed/ Cancelled/Forfeited	589,085	764,500	358,160	398,776	400,559	566,005
Total No. of options In force (Vested and yet to be Vested)	401,500	475,500	482,213	417,063	642,212	623,521

During the year ended December 31, 2012, a total of 1,151,332 (Previous Year -199,663) equity shares of Re. 1 each were issued and allotted under the Thomas Cook Employee Stock Option Plan - 2007. Consequently, the issued and paid up Equity Share Capital has increased to 213,158,694 shares.

The Company has granted share options under the Company's Employees Stock Option Plan and share options outstanding as at December 31, 2012 are 3,042,009 (Previous Year - 5,924,654) . Of these 58,140 (Previous Year - 129,973) option have vested in 2008, 330,180 (Previous Year - 500,347) have vested in 2009, 330,180 (Previous Year - 615,992) have vested in 2010, 180,539 (Previous Year - 1,163,709) have vested in 2011, 748,701 (Previous Year - 1,372,818) have vested in 2012 and 1,116,997 (Previous Year - 1,675,873) will vest in 2013, 277,272 (Previous Year - 465,942) will vest in 2014.

**41** Employees of the Company and other parties misappropriated assets aggregating to Rs. 5,866,459 (Previous Year Rs. 22,255,369 ) during the year. Out of this amount, the Company has recovered Rs. 3,435,104 so far and insurance policies amounting to Rs. 455,072 have been cancelled. The cases are under investigation and the Company has taken steps for recovering the balance amount.

**42 Acquisition of 74% stake in IKYA Human Capital Solutions**

On 5th February, 2013 the Company has signed an investment agreement for acquiring 74% interest in IKYA Human Capital Solutions Private Limited for a consideration of Rs 2,563 million. The transaction is subject to various closing conditions, conditions precedent as well as any regulatory approvals as deemed to be necessary.

**43 Transfer of Sri Lanka Business**

During the current year, the Company has transferred its Sri Lanka Branch business to its wholly owned subsidiary Thomas Cook Lanka (Private) Limited with effect from 1st August, 2012 for a consideration of Rs. 47.50 million.

**44 Previous Year Figures**

The financial statements for the year ended December 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended December 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures has not impacted recognition and measurement principles followed for preparation of financial statements.

In terms of our report of even date

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board

Nagnath V Pai  
Partner  
Membership No. 036134

Mahendra Kumar Sharma  
Chairman

Madhavan Menon  
Managing Director

R. R. Kenkare  
President & Head - Legal  
& Company Secretary

Debasis Nandy  
President &  
Chief Financial Officer

Mumbai, 19th February, 2013

Mumbai, 19th February, 2013

Note 14

Fixed Assets- Tangible and Intangible

Description	Gross Block (at cost)				Depreciation/Amortisation					Net Block		
	As at 01.01.2012	Additions	Deductions	Translation Exchange Difference	As at 31.12.2012	As at 01.01.2012	For the year	On Deductions	Translation Exchange Difference	As at 31.12.2012	As at 31.12.2012	As at 31.12.2011
<b>Tangible Assets</b>												
Owned												
Office Building	466,810,643	16,898,161	-		483,708,804	75,084,636	7,751,233	-	-	82,835,869	400,872,935	391,726,007
Leasehold Improvements	59,433,607	10,909,203	1,389,675	31,676	68,984,811	37,599,367	2,492,323	888,556	414,566	39,617,700	29,367,111	21,834,240
Furniture and Fixtures	335,725,396	20,868,036	15,491,718	507,166	341,608,880	115,598,102	20,529,916	10,752,818	(183,643)	125,191,557	216,417,323	220,127,294
Computers	223,194,252	19,299,737	33,680,827	521,283	209,334,445	173,709,037	23,355,407	33,600,315	206,807	163,670,936	45,663,509	49,485,215
Office Equipment	226,784,734	10,982,473	17,558,146	610,615	220,819,676	84,583,277	9,955,466	11,018,076	69,166	83,589,833	137,229,843	142,201,457
Vehicles	24,171,605	6,499,717	5,426,033	(13,153)	25,232,136	20,710,770	1,837,383	5,343,725	24,233	17,228,661	8,003,475	3,460,835
Leased												
Computers	3,053,425	-	-	-	3,053,425	1,984,726	763,356	-	-	2,748,082	305,343	1,068,699
Vehicles	23,417,791	21,438,161	5,507,736	-	39,348,216	3,558,561	5,306,255	1,535,920	-	7,328,896	32,019,320	19,859,230
	1,362,591,453	106,895,488	79,054,135	1,657,587	1,392,090,393	512,828,476	71,991,339	63,139,410	531,129	522,211,534	869,878,859	849,762,977
<b>Intangible Assets</b>												
Owned												
Goodwill	8,831,169	-	8,831,169	-	-	8,831,169	-	8,831,169	-	-	-	-
Goodwill on Consolidation	1,453,969,274	-	-	-	1,453,969,274	-	-	-	-	-	1,453,969,274	1,453,969,274
Software	481,909,155	40,193,676	-	725,564	522,828,395	334,733,386	69,296,857	-	241,261	404,271,504	118,556,891	147,175,769
Leased												
Software	2,040,754	-	-	-	2,040,754	1,326,490	510,189	-	-	1,836,679	204,075	714,264
	1,946,750,352	40,193,676	8,831,169	725,564	1,978,838,423	344,891,045	69,807,046	8,831,169	241,261	406,108,183	1,572,730,240	1,601,859,307
<b>Grand Total</b>	3,309,341,805	147,089,164	87,885,304	2,383,151	3,370,928,816	857,719,521	141,798,385	71,970,579	772,390	928,319,717	2,442,609,099	2,451,622,284
Previous Year	3,254,721,422	208,985,614	163,562,441	9,197,210	3,309,341,805	845,763,650	139,350,757	130,815,314	3,420,428	857,719,521	2,451,622,284	

Notes:

1. Cost of Office Building includes:

- 130 (Previous Year 130) unquoted fully paid-up Shares of Rs. 6,500 (Previous Year Rs. 6,500) in various Co-operative Societies.
- Share application money of Rs. 2,040 (Previous Year Re. 2,040) to various Co-operative Societies.
- Premises of Rs. Nil (Previous Year Rs. 195,016,253) on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.
- Premises of Rs. 192,708,900 (Previous Year Rs. 192,708,900) where the Co-operative Society is yet to be formed.
- Rs. 12,100,000 being cost of 65 Debentures of the face value for Rs. 7,800 each (net of redemption) conferring occupancy rights of a portion of a building (Chandermukhi) as office premises and 900 equity shares of the face value of Rs. 100/- each of R.R. Investments and Estates Limited.

2. Intangible Assets (softwares) includes Internally generated/developed softwares - Gross Block Rs. 94,996,746 (Previous Year Rs. 76,247,048) ; Net Block Rs. 49,646,701 (Previous Year Rs. 53,442,794)

## Auditor's Report on the Consolidated Financial Statements of Thomas Cook (India) Limited

The Board of Directors of Thomas Cook (India) Limited

1. We have audited the attached consolidated balance sheet of Thomas Cook (India) Limited (the "Company") and its subsidiaries; hereinafter referred to as the "Group" (refer Note 1 on Schedule Q to the attached consolidated financial statements) as at 31<sup>st</sup> December, 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the Sri Lanka branch of the Company whose share, as included in the consolidated financial statements, constitute total assets of Rs. 59,418,810 and net assets of Rs. 54,667,018 as at 31<sup>st</sup> December, 2011, total revenues of Rs. 67,815,898, net profit of Rs. 23,881,979 and net cash inflows amounting to Rs. 25,168,567 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We did not audit the financial statements of Thomas Cook (Mauritius) Holding Company Limited, Thomas Cook (Mauritius) Operations Company Limited, Thomas Cook (Mauritius) Travel Limited and Thomas Cook (Mauritius) Holidays Limited whose share, as included in the consolidated financial statements, constitute total assets of Rs. 304,461,118 and net assets of Rs. 234,049,314 as at 30<sup>th</sup> September, 2011, total revenue of Rs. 119,239,907, net loss of Rs. 7,659,653 and net cash outflows amounting to Rs. 36,586,653 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under sub-section 3C of Section 211 of the Companies Act, 1956.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> December, 2011;
  - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date: and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

Mumbai  
Date: 16th February, 2012

Nagnath V Pai  
Partner  
Membership Number: 36134

**Thomas Cook (India) Limited**  
**Consolidated Balance Sheet as at 31st December, 2011**

	Schedule	As at 31st December, 2011		As at 31st December, 2010	
		Rupees	Rupees	Rupees	Rupees
<b>Sources of Funds</b>					
Shareholders' Funds					
Capital	A	217,923,012		217,723,349	
Reserves and Surplus	B	3,704,775,111		3,189,712,591	
			3,922,698,123		3,407,435,940
Loan Funds					
Secured Loans	C	24,283,963		23,512,434	
Unsecured Loans	D	2,261,979,515		1,992,090,864	
			2,286,263,478		2,015,603,298
Deferred Taxation (Net)	E				
Deferred Tax Liability		146,582,369		130,265,177	
Less: Deferred Tax Assets		96,568,325		53,926,833	
			50,014,044		76,338,344
<b>Total</b>	<b>Total</b>		<b>6,258,975,645</b>		<b>5,499,377,582</b>
<b>Application of Funds</b>					
Fixed Assets	F				
Gross Block		3,309,341,805		3,254,721,422	
Less: Depreciation / Amortisation		857,719,521		845,763,650	
Net Block		2,451,622,284		2,408,957,772	
Capital Work-in-Progress (Including Capital Advances)		38,960,051		65,618,912	
			2,490,582,335		2,474,576,684
Investments	G		382,713,099		155,771,917
Current Assets, Loans and Advances					
Sundry Debtors	H	2,264,029,751		2,224,963,486	
Cash and Bank Balances	I	2,734,785,285		1,601,037,810	
Loans and Advances	J	1,358,443,595		1,440,141,435	
		6,357,258,631		5,266,142,731	
Less: Current Liabilities and Provisions					
Liabilities	K	2,848,486,786		2,279,336,742	
Provisions	L	123,091,634		117,777,008	
		2,971,578,420		2,397,113,750	
<b>Net Current Assets</b>			<b>3,385,680,211</b>		<b>2,869,028,981</b>
<b>Total</b>	<b>Total</b>		<b>6,258,975,645</b>		<b>5,499,377,582</b>
Notes to the Consolidated Financial Statements	Q				
Schedules A to L and Q referred to above form an integral part of the Balance Sheet.					

In terms of our report of even date

For Lovelock & Lewes  
 Firm Registration Number: 301056E  
 Chartered Accountants

For and on behalf of the Board

Nagnath V Pai  
 Partner  
 Membership No. 36134

Madhavan Menon  
 Managing Director

Vinayak K. Purohit  
 Executive Director - Finance

Rakshit Desai  
 Executive Director - Foreign Exchange

R. R. Kenkare  
 President & Head - Legal &  
 Company Secretary

Mumbai, 16th February, 2012

Mumbai, 16th February, 2012

**Thomas Cook (India) Limited**
**Consolidated Profit and Loss Account for the year ended 31st December, 2011**

	Schedule	Year ended 31st December, 2011		Year ended 31st December, 2010	
		Rupees	Rupees	Rupees	Rupees
<b>Income</b>					
Revenue		3,737,926,711		3,179,542,263	
Less: Prior Period items [Refer Note 3(h) of Schedule Q]		-		75,841,212	
			3,737,926,711		3,103,701,051
Other Income	M		289,496,732		301,984,709
			4,027,423,443		3,405,685,760
<b>Expenditure</b>					
Personnel Cost	N	1,540,113,484		1,290,299,496	
Advertisement and Business Promotion		199,724,404		206,019,708	
Other Expenses	O	1,110,940,208		920,655,409	
Interest and Other Finance Expenses (Net of Interest Income)	P	230,850,263		217,401,608	
Depreciation / Amortisation	F	139,350,757		135,041,975	
			3,220,979,116		2,769,418,196
Profit before Taxation and Exceptional item			806,444,327		636,267,564
Add: Exceptional Item [Refer Note 3(i) of Schedule Q]			-		100,000,000
Profit after Exceptional item and before Taxation			806,444,327		736,267,564
Provision for Taxation					
Current Tax		265,634,446		242,365,360	
MAT Entitlement credit [Refer Note 3(l) of Schedule Q]		(997,041)		(24,870,115)	
		264,637,405		217,495,245	
Short Provision of Income Tax for earlier years		5,871,214		-	
Deferred Tax		(26,460,556)		47,162,698	
			244,048,063		264,657,943
Net profit after Taxation			562,396,264		471,609,621
Add: Transfer from Reserve created under Section 80HHD of the Income-tax Act, 1961			-		15,000,000
			562,396,264		486,609,621
Balance brought forward from previous year			1,381,972,524		1,029,606,280
			1,944,368,788		1,516,215,901
<b>Appropriations</b>					
Transfer to General Reserve			55,912,209		41,538,102
Dividend for the previous year paid during the year			26,225		73,185
Corporate Dividend Tax for the Previous year and paid during the year			4,254		12,155
Proposed Dividend on Equity Shares			79,502,761		79,427,887
Proposed Dividend on Preference Shares			59		59
Corporate Dividend Tax			12,284,305		13,191,989
Balance carried to Balance Sheet			1,796,638,975		1,381,972,524
			1,944,368,788		1,516,215,901
Earnings per Share - Basic			2.65		2.23
Earnings per Share - Diluted			2.58		2.17
[Rs. per Equity Share of Re. 1 each] [Refer Note 3(g) of Schedule Q]					

Notes to the Consolidated Financial Statements Q

Schedules F and M to Q referred to above form an integral part of the Profit and Loss Account.

In terms of our report of even date

 For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board

 Nagnath V Pai  
Partner  
Membership No. 36134

 Madhavan Menon  
Managing Director

 Vinayak K. Purohit  
Executive Director - Finance

 Rakshit Desai  
Executive Director - Foreign Exchange

 R. R. Kenkare  
President & Head- Legal &  
Company Secretary

Mumbai, 16th February, 2012

Mumbai, 16th February, 2012

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Balance Sheet as at 31st December, 2011**

	As at 31st December, 2011	As at 31st December, 2010
	Rupees	Rupees
<b>Schedule A</b>		
<b>Capital</b>		
Authorised		
345,827,060 Equity Shares of Re. 1 each	345,827,060	345,827,060
114,760,000 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,147,600,000	1,147,600,000
355,294 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each	3,552,940	3,552,940
302,000 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each	3,020,000	3,020,000
125,000,000 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,250,000,000	1,250,000,000
	<u>2,750,000,000</u>	<u>2,750,000,000</u>
Issued and Subscribed		
212,007,362 ( <i>Previous Year 211,807,699</i> ) Equity Shares of Re. 1 each fully paid-up [118,125,000 Equity Shares are held by the Holding Company, TCIM Limited, UK] [45,346,449 Equity Shares are held by Thomas Cook UK Limited, the Holding Company of TCIM Limited, UK]	212,007,362	211,807,699
319,765 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each	3,197,650	3,197,650
271,800 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each	2,718,000	2,718,000
	<u>217,923,012</u>	<u>217,723,349</u>
Of the above:		
(a) 2,799,930 equity shares were allotted pursuant to a contract without payment being received in cash.		
(b) 138,833,330 equity shares were allotted as fully paid-up bonus shares by capitalisation of General Reserve and Capital Reserve.		
(c) Following shares were allotted to the erstwhile shareholders of LKP Forex Limited pursuant to its merger with the Company effective 1st April, 2006		
(i) 319,765 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each		
(ii) 271,800 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each		
(iii) 14,949,000 Equity Shares of Re. 1 each		
<p>Note: The Company has granted share options under the Company's Employees Stock Option Plan and share options outstanding as at 31st December, 2011 are 5,924,654 (<i>Previous Year 4,926,478</i>). Of these 129,973 (<i>Previous Year 205,667</i>) options have vested in 2008, 500,347 (<i>Previous Year 462,500</i>) options have vested in 2009, 615,992 (<i>Previous Year 857,605</i>) options have vested in 2010, 1,163,709 (<i>Previous Year 1,153,396</i>) options have vested in 2011, 1,372,818 (<i>Previous Year 896,563</i>) options will vest in 2012, 1,675,873 (<i>Previous Year 1,350,747</i>) options will vest in 2013 and 465,942 (<i>Previous Year Nil</i>) options will vest in 2014. During the Year 199,663 (<i>Previous Year 361,130</i>) options were exercised.</p>		

**Thomas Cook (India) Limited**  
**Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2011**

	As at 31st December, 2011		As at 31st December, 2010	
	Rupees	Rupees	Rupees	Rupees
<b>Schedule B</b>				
<b>Reserves and Surplus</b>				
Reserve as required under Section 80HHD of the Income-tax Act, 1961				
Balance as per last Balance Sheet	-		15,000,000	
Less: Transfer to Profit and Loss Account	-		15,000,000	
Share Premium				
Opening balance	1,634,578,415		1,620,094,498	
Add: Premium on Issue of Equity Shares under Employee Stock Option Plan	5,852,121		13,742,720	
Add: Transfer from Employee Stock Option Plan	317,465		741,197	
		1,640,748,001		1,634,578,415
Employee Stock Options				
Opening Employee Stock Options Outstanding	8,420,784		7,372,311	
Add: Charge to Profit & Loss Account	9,171,293		1,789,670	
Less: Transferred to Share Premium Account	317,465		741,197	
		17,274,612		8,420,784
General Reserve				
Balance as per last Balance Sheet	171,977,040		130,438,938	
Add: Transfer from Profit and Loss Account	55,912,209		41,538,102	
		227,889,249		171,977,040
Foreign Currency Translation Reserve		22,224,274		(7,236,172)
Profit and Loss Account		1,796,638,975		1,381,972,524
		<u>3,704,775,111</u>		<u>3,189,712,591</u>
<b>Schedule C</b>				
<b>Secured Loans</b>				
Finance Lease Liability (Obligations under finance lease are secured against fixed assets acquired under finance lease arrangements)		24,283,963		23,512,434
		<u>24,283,963</u>		<u>23,512,434</u>
<b>Schedule D</b>				
<b>Unsecured Loans</b>				
Short-term Loan from Banks		2,022,124,976		1,696,604,508
Bank Overdrafts		239,854,539		295,486,356
		<u>2,261,979,515</u>		<u>1,992,090,864</u>
<b>Schedule E</b>				
<b>Deferred Taxation (Net)</b>				
Deferred Tax Liability				
On Fiscal Allowance on Fixed Assets		146,582,369		130,265,177
Less: Deferred Tax Assets				
On Provisions Allowable for tax purposes when paid	10,262,892		11,092,705	
On Provision for Doubtful Debts and Advances	51,993,386		29,400,953	
On Unabsorbed Business Losses	34,312,047		12,460,515	
On Unamortised Expenditure	-		972,660	
		96,568,325		53,926,833
		<u>50,014,044</u>		<u>76,338,344</u>

**Thomas Cook (India) Limited**  
**Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2011**

	As at 31st December, 2011		As at 31st December, 2010	
	Rupees	Rupees	Rupees	Rupees
<b>Schedule G</b>				
<b>Investments</b>				
(Unquoted unless otherwise stated)				
Current Investments				
In Treasury Bills of Government of Mauritius - Trade 1 Unit of Face Value of MUR 26,000,000 (Previous Year MUR 24,800,000)	41,609,792		34,798,118	
In fully paid-up Units of Mutual Funds - Non Trade				
- 199,951 (Previous Year - Nil) Units of Rs. 1,000/- each of Franklin Templeton Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment.	200,085,625		-	
- 13,959,951 (Previous Year - Nil) Units of Rs. 10/- each of SBI Premier Liquid Fund - Super Institutional - Daily Dividend	140,053,213		-	
- Nil (Previous Year - 6,134,969) Units of Rs. 10/- each of IDFC Money Manager Fund - Treasury Plan - Super Institutional Plan C - Growth.	-		70,000,000	
- Nil (Previous Year 2,985,559) Units of Rs. 10/- each - SBI Magnum Insta Cash Fund - Daily Dividend Option	-		50,009,015	
		381,748,630		154,807,133
Long-term (at cost)				
In fully paid-up Ordinary Shares - Trade				
- 676 fully paid-up Class C (Series I) Common Stock of USD 0.0001 each of Visa Inc.		962,589		962,589
In fully paid-up Ordinary Shares - Non Trade				
- 10 fully paid-up Equity Shares of Rs. 10/- each of JIK Industries Limited - Quoted		18,000		18,000
- 100 fully paid-up Equity Shares of Rs. 10/- each of Weizmann Limited - Quoted		879		2,000
- 66 fully paid-up Equity Shares of Rs. 10/- each of Karma Energy Limited - Quoted		615		-
- 66 fully paid-up Equity Shares of Rs. 10/- each of Weizmann Forex Limited - Quoted		506		-
		382,731,219		155,789,722
Less: Provision for diminution in value of investment		18,120		17,805
		<u>382,713,099</u>		<u>155,771,917</u>
Aggregate amount of Quoted Investments		1,880		2,195
Aggregate amount of Unquoted Investments		<u>382,711,219</u>		<u>155,769,722</u>
		<u>382,713,099</u>		<u>155,771,917</u>
Aggregate Market Value of Quoted Investments		5,338		2,195
<b>Schedule H</b>				
<b>Sundry Debtors</b>				
Unsecured, Considered Good				
Outstanding exceeding six months	120,908,456		149,974,718	
Others	<u>2,143,121,295</u>		<u>2,074,988,768</u>	
		2,264,029,751		2,224,963,486
Unsecured, Considered Doubtful				
Outstanding exceeding six months	153,532,662		83,652,762	
Outstanding less than six months	<u>5,705,910</u>		-	
	159,238,572		83,652,762	
Less: Provision for Doubtful Debts	<u>159,238,572</u>		<u>83,652,762</u>	
		-		-
		<u>2,264,029,751</u>		<u>2,224,963,486</u>

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Balance Sheet as at 31st December, 2011**

	As at 31st December, 2011		As at 31st December, 2010	
	Rupees	Rupees	Rupees	Rupees
<b>Schedule I</b>				
<b>Cash and Bank Balances</b>				
Cash and Cheques on Hand (Including Foreign Currencies - Notes and paid documents)		1,187,156,114		534,718,005
Remittances in Transit (Including Foreign Currencies - Notes and paid documents)		715,000,211		285,132,729
Balances with Scheduled Banks				
on Current Accounts	398,345,257		366,738,476	
on Deposit Accounts	40,467,856		243,832,672	
[Of the above Rs. 9,890,562 (Previous Year - Rs. 14,000,949) is on lien with various authorities]		438,813,113		610,571,148
Balances with Non-Scheduled Banks				
On Current Accounts				
Bank of America, Singapore	10,551,346		-	
Deutsche Bank Trust Company Americas, New York, USA	30,461,509		-	
Deutsche Bank AG, Frankfurt, Germany	56,916,935		12,579,529	
Bank of Nova Scotia, Toronto, Canada	6,789,574		-	
ANZ National Bank Limited, Wellington, New Zealand	11,184,883		4,678,048	
ANZ National Bank Limited, Melbourne, Australia	561,751		979,333	
Bank of America, Bangkok, Thailand	5,691,579		1,740,908	
Bank of America, Frankfurt, Germany	33,991,416		-	
Bank of America, Sydney, Australia	56,821,741		-	
Bank of America, London, UK	26,566,971		-	
Bank of America, Toronto, Canada	3,815,800		-	
JP Morgan Chase Bank, New York, USA	8,744,711		2,467,610	
Bank of America, Tokyo, Japan	685		-	
AfrAsia Bank Limited, Mauritius	727,099		668,580	
Bank One, Mauritius	2,505,251		187,875	
Bramer Bank, Mauritius	11,585,274		36,616,579	
HSBC Bank, Mauritius	3,906,887		2,769,810	
Barclays Bank, Mauritius	12,085,015		5,082,471	
State Bank, Mauritius	11,965,693		11,247,625	
Mauritius Commercial Bank, Mauritius	58,977,468		59,532,632	
Indian Ocean International Bank, Mauritius	1,901,213		1,185,745	
Banque Des Mascareignes Bank, Mauritius	698,724		278,310	
Deutsche Bank, Frankfurt, Germany	347,076		8,254,255	
Deutsche Bank, London, UK	59,917		3,442,242	
Deutsche Bank, New York, USA	2,387,658		347,804	
Standard Chartered Bank, Frankfurt, Germany	1,179		-	
Standard Chartered Bank, London, UK	1,362		-	
Commercial Bank, Colombo, Sri Lanka	9,177,919		130,890	
Standard Chartered Grindlays Bank, Colombo, Sri Lanka	19,507,071		15,762,185	
NDB Bank, Colombo, Sri Lanka	4,660		15,790	
Lloyds Bank, London, UK	-		1,234,327	
	387,938,367		169,202,548	
On Deposit Account				
NDB Bank, Colombo, Sri Lanka	5,877,480		1,413,380	
[Of the above Rs. 1,398,113 (Previous Year Nil) is on lien with various authorities]		393,815,847		170,615,928
		<u>2,734,785,285</u>		<u>1,601,037,810</u>

**Thomas Cook (India) Limited**
**Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2011**

	As at 31st December, 2011		As at 31st December, 2010	
	Rupees	Rupees	Rupees	Rupees
<b>Schedule J</b>				
<b>Loans and Advances</b>				
(Unsecured, Considered Good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received				
Considered Good	1,328,426,553		1,170,300,695	
Considered Doubtful	<u>2,000,000</u>		<u>5,273,797</u>	
	1,330,426,553		1,175,574,492	
Less: Provision for Doubtful Advances	<u>2,000,000</u>		<u>5,273,797</u>	
		1,328,426,553		1,170,300,695
Advance Tax (Net of Provision for tax)		23,589,692		244,970,625
MAT Entitlement Credit [Refer Note 3(l) of Schedule Q]		<u>6,427,350</u>		<u>24,870,115</u>
		<u>1,358,443,595</u>		<u>1,440,141,435</u>
<b>Schedule K</b>				
<b>Liabilities</b>				
Sundry Creditors*		2,117,316,946		1,825,908,090
Advance Payments from Customers for which value is still to be given (including Travellers Cheques, Drafts and Transfers Unpaid)		675,196,626		402,918,229
Unpaid Dividend@		2,284,339		2,118,436
Interest accrued but not due		8,130,068		7,716,918
Fractional Entitlement on Bonus Shares Refund Accounts		49,066		49,066
Other Liabilities		<u>45,509,741</u>		<u>40,626,003</u>
		<u>2,848,486,786</u>		<u>2,279,336,742</u>
*Includes Book Overdrafts aggregating to Rs. 453,201,432 (Previous Year Rs. 264,380,958)				
@There is no amount due and outstanding to be credited to Investor Education and Protection Fund.				
<b>Schedule L</b>				
<b>Provisions</b>				
Proposed Dividend		79,502,761		79,427,887
Proposed Preference Dividend		59		59
Corporate Dividend Tax		12,897,343		13,498,247
Provision for Provident Fund		2,966,256		-
Provision for Leave Encashment		7,091,569		3,597,949
Provision for Gratuity		20,223,968		20,843,188
Provision for Fringe Benefit Tax (Net of Advance Tax)		<u>409,678</u>		<u>409,678</u>
		<u>123,091,634</u>		<u>117,777,008</u>

**Thomas Cook (India) Limited**
**Schedules forming part of the Consolidated Profit and Loss Account for the year ended 31st December, 2011**

	Year ended 31st December, 2011		Year ended 31st December, 2010	
	Rupees	Rupees	Rupees	Rupees
<b>Schedule M</b>				
<b>Other Income</b>				
Dividend on Investments		1,498,398		1,310,878
Rent		338,421		169,286
Profit on Sale of Fixed Assets (Net)		72,660,499		142,626,864
Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers		21,285,194		13,629,502
Recovery of Expenses		43,038,325		43,635,535
Education and Training Income		11,972,751		2,269,250
Interest on Income Tax Refund		24,293,325		6,711,328
Profit on Redemption of Long-term Investments		-		14,098,942
Liabilities no longer required written back		93,288,434		70,599,045
Miscellaneous Income		21,121,385		6,934,079
		<u>289,496,732</u>		<u>301,984,709</u>
<b>Schedule N</b>				
<b>Personnel Cost</b>				
Salaries, Wages and Bonus*		1,324,617,861		1,062,102,915
Contribution to / Provision for Provident and Other Funds		67,148,716		56,262,701
Premium on / Provision for Gratuity-cum-Life Assurance Policy		15,648,868		12,129,329
Staff Welfare Expenses		65,403,651		55,850,850
Staff Training, Recruitment and Other Costs		21,827,521		22,177,392
Incentive/Commission to Staff and Directors		45,466,867		81,776,309
		<u>1,540,113,484</u>		<u>1,290,299,496</u>
* Includes Rs. 9,171,293 (Previous Year - Rs. 1,789,670) on account of discounting charges on Employee Stock Options.				
<b>Schedule O</b>				
<b>Other Expenses</b>				
Rent		220,665,218		208,458,569
Rates and Taxes		11,049,263		7,634,974
Insurance		12,034,871		12,593,964
Repairs and Maintenance				
Buildings	765,880		639,343	
Others	96,306,593		74,102,205	
		97,072,473		74,741,548
Electricity		41,386,170		46,012,955
Printing and Stationery		28,932,247		23,696,701
Postage, Telegrams, Telex and Telephones		128,294,767		115,526,722
Freight Currency Shipment		30,794,216		22,513,736
Legal and Professional Charges		191,680,390		143,156,693
Auditors' Remuneration				
Audit Fees	7,051,472		7,051,472	
Reports under the provisions of the Income-tax Act, 1961	3,775,000		3,775,000	
Miscellaneous Reports	2,970,000		246,000	
Reimbursement of Expenses	241,400		158,096	
	14,037,872		11,230,568	
Branch Auditors' Remuneration - Audit Fees	457,943		430,533	
		14,495,815		11,661,101
Travelling and Conveyance		120,303,371		115,328,495
Directors' Fees		2,773,326		1,671,819
Security Services		36,095,841		29,230,099
Vehicle Running and Maintenance		28,705,944		28,756,856
Licence Fees		21,362,438		22,250,197
Bad Debts and advances written off		13,971,345		33,622
Provision for Doubtful Debts and Advances (Net)		72,312,013		19,513,022
Provision for diminution in the value of Long Term Investment		315		1,270
Donations		67,854		7,500
Miscellaneous Expenses		38,942,331		37,865,566
		<u>1,110,940,208</u>		<u>920,655,409</u>
<b>Schedule P</b>				
<b>Interest and Other Finance Expenses (Net of Interest Income)</b>				
Interest				
Short-term Loans from Banks	151,576,601		125,621,975	
Bank Overdrafts	49,796,394		26,384,414	
Others	1,886,808		6,549,790	
	203,259,803		158,556,179	
Other Finance Expenses (Net)	31,791,516		63,349,243	
		235,051,319		221,905,422
Less: Interest Income				
On Deposits with Banks (Gross) [Tax Deducted at Source Rs. 188,932 (Previous Year - Rs. 113,795)]	3,401,785		4,258,015	
Others	799,271		245,799	
		4,201,056		4,503,814
		<u>230,850,263</u>		<u>217,401,608</u>

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Balance Sheet as at 31st December, 2011**

**Schedule F**  
**Fixed Assets**

(Rupees)

Description	Gross Block (at cost)				Depreciation/Amortisation					Net Block		
	As at 01.01.2011	Additions	Deductions	Translation Exchange Difference	As at 31.12.2011	As at 01.01.2011	For the year	On Deductions	Translation Exchange Difference	As at 31.12.2011	As at 31.12.2011	As at 31.12.2010
<b>Intangible Assets</b>												
Goodwill	8,831,169	-	-	-	8,831,169	8,831,169	-	-	-	8,831,169	-	-
Goodwill on Consolidation	1,453,969,274	-	-	-	1,453,969,274	-	-	-	-	-	1,453,969,274	1,453,969,274
Software	384,464,956	96,850,512	-	2,634,441	483,949,909	264,391,145	70,844,120	-	824,611	336,059,876	147,890,033	120,073,811
<b>Tangible Assets</b>												
Leasehold Properties	54,032,658	6,803,969	1,403,020	-	59,433,607	37,999,147	912,978	1,312,758	-	37,599,367	21,834,240	16,033,511
Freehold Properties	478,904,444	-	12,093,801	-	466,810,643	71,785,130	7,649,518	4,350,012	-	75,084,636	391,726,007	407,119,314
Strong Room	692,425	-	-	-	692,425	616,319	16,166	-	-	632,485	59,940	76,106
Furniture and Fittings	315,587,419	54,038,308	36,464,450	1,871,694	335,032,971	120,770,026	20,074,279	26,414,566	535,878	114,965,617	220,067,354	194,817,393
Computers	261,184,595	27,421,420	64,008,099	1,649,761	226,247,677	215,008,941	23,398,257	63,979,642	1,266,207	175,693,763	50,553,914	46,175,654
Office Equipment	234,643,713	12,294,179	22,346,053	2,192,895	226,784,734	88,204,105	10,252,357	14,315,266	442,081	84,583,277	142,201,457	146,439,608
Vehicles	62,410,769	11,577,226	27,247,018	848,419	47,589,396	38,157,668	6,203,082	20,443,070	351,651	24,269,331	23,320,065	24,253,101
<b>Total</b>	<b>3,254,721,422</b>	<b>208,985,614</b>	<b>163,562,441</b>	<b>9,197,210</b>	<b>3,309,341,805</b>	<b>845,763,650</b>	<b>139,350,757</b>	<b>130,815,314</b>	<b>3,420,428</b>	<b>857,719,521</b>	<b>2,451,622,284</b>	<b>2,408,957,772</b>
<i>Previous year</i>	<i>2,942,022,942</i>	<i>417,407,556</i>	<i>106,169,176</i>	<i>1,460,100</i>	<i>3,254,721,422</i>	<i>774,341,007</i>	<i>135,041,975</i>	<i>63,370,476</i>	<i>(248,856)</i>	<i>845,763,650</i>	<i>2,408,957,772</i>	

**Notes:**

- Cost of Freehold Properties includes:
  - 130 (Previous Year 130) unquoted fully paid-up Shares of Rs. 6,500 (Previous Year Rs. 6,500) in various Co-operative Societies.
  - Share application money of Rs. 2,040 (Previous Year Rs. 2,040) to various Co-operative Societies.
  - Premises of Rs. 195,016,253 (Previous Year Rs. 207,114,753) on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.
  - Premises of Rs. 192,708,900 (Previous Year Rs. 163,506,670) where the Co-operative Society is yet to be formed.
  - Rs. 12,100,000 being cost of 65 Debentures of the face value for Rs. 7,800 each (net of redemption) conferring occupancy rights of a portion of a building (Chandermukhi) as office premises and 900 equity shares of the face value of Rs. 100/- each of R.R.Investments and Estates Limited.
- Intangible Assets include softwares - internally generated/developed – Gross Block Rs. 76,247,048; Net Block Rs. 53,442,794.
- Gross block and Net block of assets includes assets acquired under Finance Leases as follows:
  - Vehicles Rs. 27,292,931 (Previous Year Rs. 25,821,792) and Rs. 22,373,362 (Previous Year Rs. 19,340,904) respectively.
  - Computer hardware Rs. 3,053,425 (Previous Year Rs. 3,053,425) and Rs. 1,068,699 (Previous Year Rs. 1,832,055) respectively.
  - Computer software Rs. 2,040,754 (Previous Year Rs. 2,040,754) and Rs. 714,264 (Previous Year Rs. 1,224,453) respectively.

**Thomas Cook (India) Limited**  
**Consolidated Cash Flow Statement for the year ended 31st December, 2011**

	Year ended 31st December, 2011		Year ended 31st December, 2010	
	Rupees	Rupees	Rupees	Rupees
<b>A. Cash flow from operating activities</b>				
Net Profit before Taxation and after Exceptional Item		806,444,327		736,267,564
Adjustments for -				
Depreciation/Amortisation	139,350,757		135,041,975	
Discounting charges for Employee Stock Options	9,171,293		1,789,670	
Interest on Income Tax Refund	(24,293,325)		(6,711,328)	
Interest and Other Finance Expenses (Net of Interest Income)	230,850,263		217,401,608	
Dividend Income	(1,498,398)		(1,310,878)	
(Profit)/Loss on Sale of Fixed Assets (Net)	(72,660,499)		(142,626,864)	
Bad Debts and advances written off	13,971,345		33,622	
Provision for Doubtful Debts and Advances (Net)	72,312,013		19,513,022	
Provision for diminution in the value of Long Term Investments (Profit) on Redemption of Long-term Investments	315 -		1,270 (14,098,942)	
		<u>367,203,764</u>		<u>209,033,155</u>
Operating profit before working capital changes		1,173,648,091		945,300,719
Adjustments for -				
Trade and Other Receivables	(287,158,151)		(594,759,234)	
Trade and Other Payables	579,960,652		(125,456,191)	
		<u>292,802,501</u>		<u>(720,215,425)</u>
Cash generated from operations		1,466,450,592		225,085,294
Direct Taxes paid (Net of refund of taxes)		(30,684,921)		(149,352,624)
Interest on Income Tax Refund		24,293,325		6,711,328
Net cash generated from operating activities		<u>1,460,058,996</u>		<u>82,443,998</u>
<b>B. Cash flow from investing activities</b>				
Purchase of Fixed Assets	(187,875,759)		(397,422,140)	
Sale of Fixed Assets	105,407,626		185,425,564	
Purchase of Investments	(5,023,077,606)		(3,049,108,997)	
Sale of Investments	4,796,136,109		3,263,557,721	
Interest Received	7,883,727		4,278,513	
Dividend Received	1,498,398		1,310,878	
Net cash (used in)/generated from investing activities		<u>(300,027,505)</u>		<u>8,041,539</u>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of Equity Shares under ESOP	6,051,784		14,103,850	
Proceeds from Borrowings (Net)	269,888,651		299,592,294	
Proceeds of Finance Lease (Net)	771,529		15,573,279	
Interest and Other Finance Expenses paid	(234,638,169)		(218,269,464)	
Dividend Paid	(79,288,268)		(79,342,838)	
Tax on Dividend Paid	(12,889,463)		(13,181,661)	
Net cash (used in)/generated from financing activities		<u>(50,103,936)</u>		<u>18,475,460</u>
<b>D. Effect of exchange fluctuation on translation reserve</b>		23,819,920		(9,064,658)
Net increase in cash and cash equivalents		<u>1,133,747,475</u>		<u>99,896,339</u>
Cash and Cash Equivalents - Opening Balance		1,601,037,810		1,501,141,471
Cash and Cash Equivalents - Closing Balance		<u>2,734,785,285</u>		<u>1,601,037,810</u>

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, notified under sub-section (3C) of Section 211 of The Companies Act, 1956.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board

Nagnath V Pai  
Partner  
Membership No. 36134

Madhavan Menon  
Managing Director

Vinayak K. Purohit  
Executive Director- Finance

Rakshit Desai  
Executive Director - Foreign Exchange

R. R. Kenkare  
President & Head- Legal &  
Company Secretary

Mumbai, 16th February, 2012

Mumbai, 16th February, 2012

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2011**

**Schedule Q**

**Notes to the Consolidated Financial Statements**

**1. Basis of Consolidation**

The consolidated financial statements of Thomas Cook (India) Limited (the Company) and its subsidiary companies are prepared in accordance with Accounting Standard (AS) - 21 on Consolidated Financial Statements, as per the Companies (Accounting Standard) Rules, 2006. All Inter-Company balances and transactions have been eliminated.

(a) List of subsidiary companies considered in the consolidated financial statements is as follows -

<u>Name of the Company</u>	<u>Country of Incorporation</u>	<u>Proportion of Ownership</u>
Travel Corporation (India) Limited	India	100%
Thomas Cook Insurance Services (India) Limited	India	100%
Indian Horizon Travel and Tours Limited	India	100%
Thomas Cook Tours Limited	India	100%
TC Visa Services (India) Limited	India	100%
Thomas Cook (Mauritius) Holding Company Limited*	Mauritius	100%
Thomas Cook (Mauritius) Operations Company Limited*	Mauritius	100%
Thomas Cook (Mauritius) Travel Limited*	Mauritius	100%
Thomas Cook (Mauritius) Holidays Limited*	Mauritius	100%

\* The accounting year for these Companies is October to September, hence these Companies are consolidated for the period 1st October, 2010 to 30th September, 2011. There are no significant transactions or other events from 1st October, 2011 to 31st December 2011. There is no change in Company's interest in these subsidiaries from 1st October, 2011 to 31st December 2011.

(b) The excess of cost of the Company of its investment in the subsidiary company over its share of equity of the subsidiary company, at the date on which the investment in the subsidiary company is made is recognised as Goodwill being an asset in the Consolidated Financial Statements.

**2. Significant Accounting Policies**

The financial statements are prepared to comply in all material aspects with the applicable statute. The significant accounting policies are as follows -

(a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

(b) Fixed Assets and Depreciation / Amortisation

(i) The gross block of fixed assets is stated at the purchase price of acquisition of such fixed assets including any attributable cost for bringing the asset to its working condition for its intended use.

(ii) Depreciation on fixed assets is provided at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates determined based on the useful lives of the assets as estimated by the management, whichever are higher. Depreciation is provided on Straight Line Method. The rates adopted for depreciation determined on the basis of useful lives of fixed assets are as follows:

<u>Description of Asset</u>	<u>Rate of Depreciation/Amortisation</u>
Software (including softwares - internally generated / developed)	25%
Computers	25%
Office Equipment - VSAT and Communication Router	10%
Vehicles	15%

Fixed assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

(iii) Leasehold properties are amortised over the period of the lease.

(c) (i) Foreign Currency Transactions

All the monetary items denominated in foreign currency are valued at the Foreign Exchange Dealers Association of India (FEDAI) rate (except for Sri Lanka branch and Mauritius Subsidiaries), and the exchange variations arising out of settlement/conversion at the FEDAI rate are recognised in the Profit and Loss Account.

Monetary items of Sri Lanka branch are valued at closing rates obtained from Central Bank of Sri Lanka, as the daily buying and selling rates are set on rates obtained from them.

In case of foreign exchange business at Mauritius Subsidiaries, foreign currency transactions are stated at the rate of exchange prevailing at the time of accounting such transactions and exchange variations are dealt within the Profit and Loss Account. Current assets and liabilities at the year end are converted at closing rates and exchange variations are recognised in the Profit and Loss Account.

Profit or loss on purchase and sale of foreign exchange by the Company in its capacity as Authorised Foreign Exchange Dealer are accounted as a part of the turnover.

(ii) Foreign Branch and Subsidiaries

In the case of foreign branch, being Integral operations, revenue items except depreciation are translated at average rate, depreciation is translated at the rates used for the translation of respective fixed assets. All monetary assets and liabilities are translated at the closing exchange rates and non monetary assets are translated at the exchange rates prevailing on the date of the transaction.

In the case of foreign subsidiaries, being Non-integral operations, revenue items are translated at average rate. All assets and liabilities are translated at the closing exchange rates. Any exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".

(d) Investments

Long-term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of Long-term Investments. Current Investments are stated at lower of cost or fair value.

(e) Employee Benefits

(i) Long-term Employee Benefits

(a) Defined Contribution Plans

The Company has Defined Contribution Plan for Post Employment Benefit in the form of Superannuation scheme. Contributions to Superannuation scheme are charged to the Profit and Loss account as incurred. The contribution to Superannuation scheme are based on the premium contribution called for by Life Insurance Corporation of India (LIC) with whom the Company has entered into an agreement for its Indian operations.

The Company has Defined Contribution Plans for post employment benefits for some of the employees in the form of Provident Fund. Contributions to Defined Contribution schemes such as Provident Fund, etc. are charged to the Profit and Loss Account as incurred. The contributions are made to a government administered Provident Fund towards which the company has no further obligations beyond its monthly contributions.

(b) Defined Benefit Plans

The company has Defined Benefit Plan for Post Employment Benefit in the form of Gratuity. Contribution to gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the company has entered into an agreement for its Indian operations. Any short fall/excess based on independent actuarial valuation is accounted for in the relevant period.

The company has Defined Benefit Plan for Other Long Term Employee Benefit in the form of Provident Fund. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Any short fall/excess based on independent actuarial valuation is accounted for in the relevant period.

(ii) Short-term Employee Benefits

As per the leave policy of the Company, liability for leave balance is treated as short term in nature. Provision towards short term accrued leave is made based on accumulated unutilised leave balances of employees on the payroll of the Company at the year-end.

(iii) Employee benefits of Sri Lanka branch and Mauritius companies are provided for on the basis of the local laws.

(f) Employee Stock Option Plan

Stock options granted to the employees under the stock option schemes established after 19th June, 1999 are evaluated as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 as amended from time to time, issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to profit and loss account on graded vesting period of the options.

(g) Revenue

Revenue comprises of travellers cheques commissions and margins on foreign exchange transactions in the normal course of business as authorised dealers, net commissions earned on travel management, service agency charges including profit or loss in respect of tour and card product activities. In line with established international practice, the income arising from the buying and selling of foreign currencies (net of brokerages paid) is included on the basis of margins achieved, since inclusion on the basis of their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.

(h) Revenue Recognition

Commission on tickets and service charges from customers are recognised on issue of the tickets. Incentive from airlines are accounted on the basis of tickets issued to sectors travelled.

Revenue on foreign exchange transactions is recognised at the time of purchase and sale.

Revenue on holiday packages is recognised on proportionate basis considering the actual number of days completed as at the year end to the total number of days for each tour.

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2011**

In case of Insurance business, commission on insurance policies sold is recognised on the effective commencement of the policies.

Revenue from other income is accounted on accrual basis.

(i) Leases

Assets acquired under finance lease arrangements are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals are allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Lease rentals in respect of operating lease arrangements are charged to the Profit and Loss Account.

(j) Taxes on Income

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

(k) Impairment of Assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount an impairment loss is recognised in the Profit and Loss Account to the extent carrying amount exceeds recoverable amount.

(l) Provision and Contingent Liabilities

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. Where there is possible obligation or at present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**3. Notes to the Financial Statements**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.9,294,809 (Previous Year Rs. 13,213,038).

(b) Contingent Liabilities

- (i) Claims against the Company not acknowledged as debts
- Demand from Bombay Electricity Supply and Transport (BEST) for Electricity
  - Revocation of Bank Guarantee given to Airport Authority of India
  - Various Miscellaneous Claims
- (ii) Disputed Income-tax Demands
- (iii) Disputed Service Tax Demands
- (iv) Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation
- (v) Disputed Value Added Tax Demands

As at 31st December, 2011	As at 31st December, 2010
Rupees	Rupees
1,961,083	1,961,083
5,387,244	-
-	420,722
169,163,815	148,608,045
1,533,652,073	931,398,693
45,480,820	41,346,200
-	3,182,594

Note:

Future cash outflows in respect of the above contingent liabilities are determinable only on receipt of judgements/decisions pending with various forums/authorities.

(c) The tax year for the Company being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31st March, 2011 and the provision based on the figures for the remaining nine months up to 31st December, 2011, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2011 to 31st March, 2012.

(d) Segment information is provided so that the users of these financial statements can appreciate the diverse nature of the businesses carried out by Thomas Cook (India) Limited and its subsidiary companies.

(i) Business Segments

- Financial services                      Include wholesale purchase and sale of foreign currencies and paid documents
- Travel and related services            Include retail purchase and sale of foreign currencies and paid documents, tour operations, travel management and travel insurance

(ii) Geographical Segments

- India    Include revenue from customers within India
- Rest of the world                              Include revenue from customers outside India

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2011**

	Year ended 31st December, 2011		Year ended 31st December, 2010	
	Rupees	Rupees	Rupees	Rupees
(I) Information in respect of Primary Segments				
(a) Segment Revenue				
Financial Services		434,584,300		383,761,973
Travel and Related Services		3,303,342,411		2,719,939,078
		<u>3,737,926,711</u>		<u>3,103,701,051</u>
(b) Segment Result				
Financial Services	238,943,456		195,928,702	
Travel and Related Services	1,285,977,479		1,129,480,563	
		1,524,920,935		1,325,409,265
Less: Interest and other finance expenses	230,850,263		217,401,608	
Other Common Expenses	487,626,345		471,740,093	
		718,476,608		689,141,701
Profit before Taxation and Exceptional item		<u>806,444,327</u>		<u>636,267,564</u>
(c) Other Information				
(i) Segment Assets				
Financial Services	1,551,935,895		1,212,784,466	
Travel and Related Services	5,117,881,304		4,538,703,283	
Add: Common Assets		6,669,817,199		5,751,487,749
		2,560,736,866		2,145,003,583
		<u>9,230,554,065</u>		<u>7,896,491,332</u>
(ii) Segment Liabilities				
Financial Services	256,218,264		132,569,566	
Travel and Related Services	2,547,674,474		2,263,673,254	
Add: Common Liabilities		2,803,892,738		2,396,242,820
		2,503,963,204		2,092,812,572
		<u>5,307,855,942</u>		<u>4,489,055,392</u>
(iii) Segment Capital Employed (Segment Assets less Segment Liabilities)				
Financial Services	1,295,717,631		1,080,214,900	
Travel and Related Services	2,570,206,830		2,275,030,029	
Add: Common Capital Employed		3,865,924,461		3,355,244,929
		56,773,662		52,191,011
		<u>3,922,698,123</u>		<u>3,407,435,940</u>
(iv) Capital Expenditure				
Financial Services	32,790,301		57,819,055	
Travel and Related Services	17,987,816		201,458,286	
Add: Common Capital Expenditure		50,778,117		259,277,341
		158,207,497		158,130,215
		<u>208,985,614</u>		<u>417,407,556</u>
(v) Depreciation/Amortisation				
Financial Services	20,302,115		23,155,729	
Travel and Related Services	82,841,338		98,639,845	
Add: Common Depreciation and Amortisation		103,143,453		121,795,574
		36,207,304		13,246,401
		<u>139,350,757</u>		<u>135,041,975</u>
(vi) Significant Non-Cash Expenditure				
Financial Services	5,993,242		4,803,467	
Travel and Related Services	80,290,116		14,743,177	
Add: Common Non-Cash Expenditure		86,283,358		19,546,644
		-		-
		<u>86,283,358</u>		<u>19,546,644</u>

**Thomas Cook (India) Limited**
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2011**

	Year ended 31st December, 2011		Year ended 31st December, 2010	
	Rupees	Rupees	Rupees	Rupees
(II) Information in respect of Secondary Segments				
(a) Segment Revenue				
India		3,209,602,565		2,672,445,898
Rest of the World		528,324,146		431,255,153
		<u>3,737,926,711</u>		<u>3,103,701,051</u>
(b) Carrying amount of Segment Assets				
India	6,016,910,165		4,901,525,446	
Rest of the World	652,907,034		849,962,303	
		6,669,817,199		5,751,487,749
Add: Common Assets		2,560,736,866		2,145,003,583
		<u>9,230,554,065</u>		<u>7,896,491,332</u>
(c) Capital Expenditure				
India	35,656,267		249,362,051	
Rest of the World	15,121,849		9,915,290	
		50,778,116		259,277,341
Add: Common Capital Expenditure		158,207,498		158,130,215
		<u>208,985,614</u>		<u>417,407,556</u>

## (e) Related Party Disclosures

## (A) Enterprises where control exists

- (i) Holding Company      TCIM Limited, UK holds 55.72% of Equity Shares of the Company. Thomas Cook UK Limited, the Holding Company of TCIM Limited, UK owns 21.39% of Equity Shares of the Company. Thomas Cook UK Limited is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.

## (B) Other Related Parties with whom the Company had transactions during the year

- (i) Fellow Subsidiaries      Thomas Cook Tour Operations Limited, UK  
 Thomas Cook AG, Germany  
 Thomas Cook Northern Europe  
 Thomas Cook Signature Limited, UK  
 Neckermann Reisen, Germany  
 Thomas Cook Overseas Limited, Egypt

- (ii) Key Management Personnel      Madhavan Menon  
 Vinayak K. Purohit  
 Rakshit Desai  
 R. R. Kenkare  
 Amitabh Pandey  
 Dr. Prasanth Nair

- (iii) Relative of Key Management Personnel      Lili Menon

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2011**

(C) Disclosure of transactions between the Company and related parties and outstanding balances as at the year end:

	Year ended 31st December, 2011		Year ended 31st December, 2010	
	Rupees	Rupees	Rupees	Rupees
(i) Holding Company				
License Fees				
Thomas Cook UK Limited		20,051,185		19,148,800
Reimbursement of Expenses				
Thomas Cook UK Limited		23,421,576		11,884,487
Dividend Remitted				
TCIM Limited, UK		44,296,875		44,296,875
Thomas Cook UK Limited		17,004,918		17,004,918
Balances as at the year end - Outstanding Payables				
Thomas Cook UK Limited		30,813,650		11,165,667
(ii) Fellow Subsidiaries				
Sale of Services*				
Thomas Cook Tour Operations Limited, UK	400,801,192		330,760,671	
Thomas Cook AG, Germany	28,858,138		38,808,025	
Thomas Cook, Northern Europe	24,685,596		46,531,161	
Others	28,689,016		29,397,387	
		483,033,942		445,497,244
Services Availed#				
Thomas Cook Overseas Limited, Egypt		9,628,098		14,646,111
Balances as at the year end - Outstanding Receivables				
Thomas Cook Tour Operations Limited, UK	21,321,790		15,977,178	
Thomas Cook AG, Germany	-		6,743,941	
Thomas Cook, Northern Europe	3,422,783		13,531,774	
Thomas Cook Signature Limited, UK	4,946,097		4,903,133	
		29,690,670		41,156,026
Outstanding Payables				
Thomas Cook Overseas Limited, Egypt		4,718,008		7,090,258
*Sale value of transactions #Purchase value of transactions				
(iii) Key Management Personnel				
Remuneration#				
Madhavan Menon	19,044,969		16,878,705	
Vinayak K. Purohit	16,376,616		15,272,281	
Rakshit Desai	28,762,863		25,201,185	
R. R. Kenkare	9,710,318		7,161,550	
Amitabh Pandey	6,809,988		5,408,647	
Dr. Prasanth Nair	7,474,076		5,626,946	
		88,178,830		75,549,314
#Gratuity is contributed for the Company as a whole and hence excluded.				
(iv) Relative of Key Management Personnel				
Rent Expense				
Lili Menon		1,926,000		1,926,000
Balance as at the year end - Deposit Receivable				
Lili Menon		16,500,000		16,500,000

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2011**

	Year ended 31st December, 2011	Year ended 31st December, 2010
	Rupees	Rupees
(f) Disclosures for Leases		
(A) Finance Leases		
(i) Minimum Lease Payments payable		
- Not later than one year	9,043,258	8,255,661
- Later than one year but not later than five years	19,989,226	20,024,836
	<u>29,032,484</u>	<u>28,280,497</u>
(ii) Present Value of Minimum Lease Payments payable		
- Not later than one year	6,750,229	6,100,952
- Later than one year but not later than five years	17,533,734	17,411,482
	<u>24,283,963</u>	<u>23,512,434</u>
(iii) Reconciliation of Minimum Lease Payments and their Present Value		
- Minimum Lease Payments Payable as per (i) above	29,032,484	28,280,497
- Less: Finance Charges to be recognised in subsequent years	4,748,521	4,768,063
- Present Value of Minimum Lease Payments payable as per (ii) above	<u>24,283,963</u>	<u>23,512,434</u>
(iv) Finance Charges recognised in the Profit and Loss Account	2,602,408	5,098,706
(B) Operating Leases		
Disclosures in respect of agreements for office and residential premises taken on lease		
(i) Lease payments recognised in the Profit and Loss Account	244,001,640	241,153,078
(ii) Significant leasing arrangements		
- The Company has given refundable interest free security deposits under certain agreements.		
- The lease agreements are for a period of eleven months to ninety years.		
- The lease agreements are cancellable at the option of either party by giving one month to six months' notice.		
- Certain agreements provide for increase in rent.		
- Some of the agreements contain a provision for their renewal.		
(iii) Future minimum lease payments under non-cancellable agreements		
- Not later than one year	36,058,169	28,388,396
- Later than one year and not later than five years	35,593,819	35,382,667
- Later than five years	2,323,943	2,028,619

**Thomas Cook (India) Limited**

**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2011**

	Year ended 31st December, 2011	Year ended 31st December, 2010
	Rupees	Rupees
(g) In determining earnings per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of dilutive potential equity shares. Earnings per Share has been computed as under:		
Profit attributable to Equity Shareholders *	562,396,195	471,609,552
Weighted average number of shares - Basic	211,895,585	211,669,810
Weighted average number of shares - Diluted	218,227,091	218,910,237
Basic Earnings per Share (Rs. per Equity Share of Re. 1 each)	2.65	2.23
Diluted Earnings per Share (Rs. per Equity Share of Re. 1 each)	2.58	2.17
* Dividend amounting to Rs.69 (Previous Year Rs.69) (including Corporate Dividend Tax) on Preference shares outstanding during the year has been considered in determining the Earning per Share for year ended 31st December, 2011.		

(h) Thomas Cook Mauritius Operations Company Limited (TCMOCL), a subsidiary of Thomas Cook (India) Limited (TCIL), operates in foreign exchange business.

During the previous year it was observed that there were accounting and reconciliation issues in the books of accounts of TCMOCL, therefore, TCIL appointed Lovi Mehrotra & Associates (LMA) – one of the internal auditors for TCIL - to re-write the accounts of TCMOCL. It was observed that the financial statements of TCMOCL had been misstated in prior years by the Finance Manager of that Subsidiary. An independent investigation revealed that there were unexplained asset balances, accounting of duplicate/unsupported sales entries, unsatisfactory books of accounts and erroneous bank reconciliation statements in the books as on 30th September, 2009 and concluded that TCMOCL overstated the profits aggregating to Rs 75,841,212 in prior years. However they did not indicate any instance of unauthorised or inappropriate withdrawals or missing deposit in the bank accounts. The investigation report concluded that the turnover and profit for the year ended 31st December, 2008 and period ended 30th September, 2009 were overstated by Rs. 23,485,806 and Rs. 52,355,406 respectively.

Consequently, corresponding bank balances and retained profits as on 31st December, 2008 and 30th September, 2009 were overstated by Rs. 23,485,806 and Rs. 52,355,406 respectively. These amounts aggregating to Rs. 75,841,212 have been corrected in the previous year and shown as a prior period item under the head "Revenue".

The investigators had made recommendations in their report to mitigate control weaknesses, which have since been implemented. The finance manager in charge of the accounting function in TCMOCL has been replaced and internal controls have been strengthened.

(i) Exceptional Item for the previous year represents Rs. 100,000,000 received as compensation towards termination of Non Compete Agreement for the LKP Forex Acquisition.

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2011**

(j) Employee Stock Options :

**Thomas Cook Employees Stock Option Plan -2007.**

The Company has established an Employee Stock Option Plan called -"Thomas Cook Employees Stock Option Plan - 2007". The same has been approved by a Special Resolution passed by the Shareholders by a Postal Ballot on 23rd March ,2007.

The Scheme is in accordance with the provisions of Securities and Exchange Board of India (SEBI)- (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines ,1999. The exercise price is as governed by the guidelines issued by SEBI.

The objectives of this plan are :

- (a) Motivate talent in the organization with a view to achieve long term business goals.
- (b) Retain key talent in the organization
- (c) Foster ownership and motivation.

The grant of options to employees under the stock option scheme is on the basis of their performance and other eligibility criteria. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The unvested options shall vest with the participant in 3 equal annual installments on each of the anniversaries from the Grant Date.

**Thomas Cook Save As You Earn (SAYE) -2010.**

Further to the Thomas Cook Employees Stock Option Plan - 2007, the Company has established a Thomas Cook Save As You Earn (SAYE), Scheme - 2010. The SAYE scheme has been approved by a Special Resolution passed on 14th December, 2010, by the shareholders by means of a Postal Ballot and shall be effective from that date. SAYE is a Monthly Savings Contribution Scheme available to all employees of Thomas Cook (India) Limited and its subsidiaries provided that they have completed at least 6 months in the organization.

The objectives of the SAYE Scheme -2010 are same as Thomas Cook Employees Stock Option Plan -2007.

SAYE allows employees to save a part of their net pay every month which gets deposited with a bank in a recurring deposit account carrying fixed rate of interest. At the end of 3 years, employees have the option to either purchase specific number of equity shares of Thomas Cook (India) Limited at the predetermined exercise price or withdraw the monthly savings contributions along with interest accrued.

Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The maximum number of options granted per participant per grant will not exceed 200,000 (Two Hundred Thousand) equity shares. The maximum number of equity shares that may be issued / transferred pursuant to the exercise of options granted under the SAYE scheme shall not exceed 3,000,000 (Three Million) equity shares.

Vesting under the scheme is linked to the continued association with the Group. The options would vest only when an employee has completed the committed 36 monthly contributions. The exercise period would not be more than one month from the date of vesting.

**Following are the details of Options granted under these Schemes :**

	GT 25 Jul 2007	GT 10 Jul 2008	GT 20 Mar 2009	GT 27 May 2010	SAVE 14 Dec 2010	GT 17 Feb 2011
Grant Date (GT)	25-Jul-07	10-Jul-08	20-Mar-09	27-May-10	14-Dec-10	17-Feb-11
Pricing Formula	95 % of the closing market price on the stock exchange where higher number of shares are traded			90 % of the closing market price on the stock exchange where higher number of shares are traded		
Exercise Price (Rs Per Share)	61.89	77.62	30.31	52.74	50.40	47.57
Options Granted and Accepted	1,104,125	1,240,000	2,068,725	991,313	1,020,310	1,397,825
Options Yet to be Vested	-	-	576,438	660,875	879,494	1,397,825
Options Vested and Exercisable	617,000	770,500	692,084	330,438	-	-
Options Exercised	113,540	-	460,793	-	-	-
Options Lapsed/Cancelled/Forfeited	373,585	469,500	339,410	-	140,816	-
Total No. of options In force (Vested and yet to be vested)	617,000	770,500	1,268,522	991,313	879,494	1,397,825

During the year ended 31st December 2011, a total of 199,663 equity shares of Re. 1 each were issued & allotted under the Thomas Cook Employee Stock Option Plan - 2007. Consequently, the issued and paid up Equity Share Capital has increased to 212,007,362 shares.

(k) Employees of the Company and other parties misappropriated assets aggregating to Rs. 22,255,369 (Previous Year Rs. 5,620,000) during the year. The Company has recovered Rs. 8,365,540 so far. The cases are under investigation and Company has taken steps for recovering the balance amount.

**Thomas Cook (India) Limited**

**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2011**

- (l) As per the provision of Section 115JAA, MAT Credit receivable has been recognized on the basis of return of income filed for the previous years. MAT credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period (as per the Income Tax Act, 1961). MAT credit is recognised as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India and disclosed in the Schedule "J", Loans and Advances. The said assets is created by the way of credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The company will review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period (as per the Income Tax Act, 1961).
- (m) The entire Promoter Shareholding of 77.1% has been pledged on 10th January, 2012. Subsequently on 8th February, 2012 Thomas Cook Group plc - the ultimate holding company of Thomas Cook (India) Limited has announced the launch of formal sale process for its 77.1% shareholding in Thomas Cook (India) Limited.
- (n) Previous Year figures have been regrouped where necessary.

In terms of our report of even date

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board

Nagnath V Pai  
Partner  
Membership No. 36134

Madhavan Menon  
Managing Director

Vinayak K. Purohit  
Executive Director - Finance

Rakshit Desai  
Executive Director - Foreign Exchange

R. R. Kenkare  
President & Head - Legal &  
Company Secretary

Mumbai, 16th February, 2012

Mumbai, 16th February, 2012

## Auditor's Report on the Consolidated Financial Statements of Thomas Cook (India) Limited

The Board of Directors of Thomas Cook (India) Limited

1. We have audited the attached consolidated balance sheet of Thomas Cook (India) Limited (the 'Company') and its subsidiaries; hereinafter referred to as the "Group" (refer Note 1 on Schedule Q to the attached consolidated financial statements) as at 31<sup>st</sup> December, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These consolidated 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the Sri Lanka branch of the Company whose share, as included in the consolidated financial statements, constitute total assets of Rs. 36,647,421 and net assets of Rs. 29,929,278 as at 31<sup>st</sup> December, 2010, total revenues of Rs. 56,958,053, net profit of Rs. 16,679,642 and net cash inflows amounting to Rs. 20,527,715 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We did not audit the financial statements of the Thomas Cook (Mauritius) Holding Company Limited, Thomas Cook (Mauritius) Operations Company Limited, Thomas Cook (Mauritius) Travel Limited and Thomas Cook (Mauritius) Holidays Limited whose share, as included in the consolidated financial statements, constitute total assets of Rs. 319,904,801 and net assets of Rs. 216,504,915 as at 30<sup>th</sup> September, 2010, total revenues of Rs. 99,215,854, net loss of Rs. 20,692,506 and net cash outflows amounting to Rs. 33,768,126 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) – 21, notified under sub-section 3C of Section 211 of the Companies Act, 1956.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> December, 2010;
  - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date: and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

Mumbai,  
17<sup>th</sup> February, 2011

Vasant Gujarathi  
Partner  
Membership No. 17866

**Thomas Cook (India) Limited**  
**Consolidated Balance Sheet as at 31st December, 2010**

	Schedule	As at 31st December, 2010		As at 31st December, 2009	
		Rupees	Rupees	Rupees	Rupees
<b>Sources of Funds</b>					
Shareholders' Funds					
Capital	A	217,723,349		217,362,219	
Reserves and Surplus	B	<u>3,189,712,591</u>		<u>2,802,512,027</u>	
			3,407,435,940		3,019,874,246
Loan Funds					
Secured Loans	C		23,512,434		7,939,155
Unsecured Loans	D		1,992,090,864		1,692,498,570
Deferred Taxation (Net)	E				
Deferred Tax Liability		130,265,177		76,859,432	
Less: Deferred Tax Assets		<u>53,926,833</u>		<u>47,564,256</u>	
			76,338,344		29,295,176
<b>Total</b>			<u><u>5,499,377,582</u></u>		<u><u>4,749,607,147</u></u>
<b>Application of Funds</b>					
Fixed Assets	F				
Gross Block		3,254,721,422		2,942,022,942	
Less: Depreciation		<u>845,763,650</u>		<u>774,341,007</u>	
Net Block		2,408,957,772		2,167,681,935	
Capital work-in-progress (including capital advances)		<u>65,618,912</u>		<u>23,907,885</u>	
			2,474,576,684		2,191,589,820
Investments	G		155,771,917		356,122,969
Current Assets, Loans and Advances					
Sundry Debtors	H	2,224,963,486		2,071,130,724	
Cash and Bank Balances	I	1,601,037,810		1,501,141,471	
Loans and Advances	J	<u>1,440,141,435</u>		<u>1,086,678,927</u>	
		<u>5,266,142,731</u>		<u>4,658,951,122</u>	
Less: Current Liabilities and Provisions					
Liabilities	K	2,279,336,742		2,306,385,439	
Provisions	L	<u>117,777,008</u>		<u>150,671,325</u>	
		<u>2,397,113,750</u>		<u>2,457,056,764</u>	
Net Current Assets			2,869,028,981		2,201,894,358
<b>Total</b>			<u><u>5,499,377,582</u></u>		<u><u>4,749,607,147</u></u>
Notes to the Consolidated Financial Statements	Q				

Schedules A to L and Q referred to above form an integral part of the Balance Sheet.

In terms of our report of even date

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board

Vasant Gujarathi  
Partner  
Membership No. 17866

Madhavan Menon  
Managing Director

Vinayak K. Purohit  
Executive Director - Finance

Rakshit Desai  
Executive Director - Travel Services

R. R. Kenkare  
President & Head - Legal &  
Company Secretary

Mumbai, 17th February, 2011

Mumbai, 17th February, 2011

**Thomas Cook (India) Limited**  
**Consolidated Profit and Loss Account for the year ended 31st December, 2010**

	Schedule	Year ended 31st December, 2010		Year ended 31st December, 2009	
		Rupees	Rupees	Rupees	Rupees
<b>Income</b>					
Revenue [Refer Note 3(h) of Schedule Q]		3,179,542,263		2,652,004,994	
Less: Prior Period items [Refer Note 3(i) of Schedule Q]		75,841,212		-	
Other Income	M		3,103,701,051		2,652,004,994
			295,273,381		94,297,947
			3,398,974,432		2,746,302,941
<b>Expenditure</b>					
Personnel Cost	N	1,290,299,496		1,072,608,830	
Advertisement and Business Promotion		206,019,708		112,786,080	
Other Expenses	O	920,655,409		829,510,898	
Interest and Other Finance Expenses (Net of interest income)	P	210,690,280		210,093,499	
Depreciation	F	135,041,975		116,443,449	
			2,762,706,868		2,341,442,756
Profit before Taxation and Exceptional item			636,267,564		404,860,185
Add: Exceptional Item [Refer Note 3(k) of Schedule Q]			100,000,000		-
Profit after Exceptional item and before Taxation			736,267,564		404,860,185
Provision for Taxation					
Current Tax		242,365,360		133,662,752	
MAT Entitlement credit [Refer Note 3(o) of Schedule Q]		(24,870,115)		-	
Short Provision of Income Tax for earlier years		-		3,852,563	
Short/(Excess) Provision of Fringe Benefit Tax for earlier years		-		(55,000)	
Fringe Benefit Tax		-		2,437,083	
Deferred Tax		47,162,698		14,847,155	
			264,657,943		154,744,553
Net profit after Taxation			471,609,621		250,115,632
Add: Transfer from Reserve created under Section 80HHD of the Income-tax Act, 1961					
			15,000,000		15,000,000
			486,609,621		265,115,632
Balance brought forward from previous year			1,029,606,280		880,397,131
			1,516,215,901		1,145,512,763
<b>Appropriations</b>					
Transfer to General Reserve			41,538,102		22,164,745
Dividend for the previous year paid during the year			73,185		-
Corporate Dividend Tax for the Previous year and paid during the year			12,155		-
Proposed Dividend on Equity Shares			79,427,887		79,292,463
Dividend on Preference Shares			-		832,046
Proposed Dividend on Preference Shares			59		59
Corporate Dividend Tax			13,191,989		13,617,170
Balance carried to Balance Sheet			1,381,972,524		1,029,606,280
			1,516,215,901		1,145,512,763
Earnings per Share - Basic			2.23		1.19
Earnings per Share - Diluted			2.17		1.16
[Rs. per Equity Share of Re. 1 each] [Refer Note 3(g) of Schedule Q]					

Notes to the Consolidated Financial Statements Q

Schedules F and M to Q referred to above form  
an integral part of the Profit and Loss Account.

In terms of our report of even date

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board

Vasant Gujarathi  
Partner  
Membership No. 17866

Madhavan Menon  
Managing Director

Vinayak K. Purohit  
Executive Director- Finance

Rakshit Desai  
Executive Director- Travel Services

R. R. Kenkare  
President & Head- Legal &  
Company Secretary

Mumbai, 17th February, 2011

Mumbai, 17th February, 2011

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Balance Sheet as at 31st December, 2010**

	As at 31st December, 2010	As at 31st December, 2009
	Rupees	Rupees
<b>Schedule A</b>		
<b>Capital</b>		
Authorised		
345,827,060 Equity Shares of Re.1 each	345,827,060	345,827,060
114,760,000 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,147,600,000	1,147,600,000
355,294 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each	3,552,940	3,552,940
302,000 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each	3,020,000	3,020,000
125,000,000 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,250,000,000	1,250,000,000
	<u>2,750,000,000</u>	<u>2,750,000,000</u>
Issued and Subscribed		
211,807,699 ( <i>Previous Year 211,446,569</i> ) Equity Shares of Re. 1 each fully paid-up [118,125,000 Equity Shares are held by the holding company, TCIM Limited, UK] [45,346,449 Equity Shares are held by Thomas Cook UK Limited, the Holding Company of TCIM Limited, UK]	211,807,699	211,446,569
319,765 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each	3,197,650	3,197,650
271,800 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each	2,718,000	2,718,000
	<u>217,723,349</u>	<u>217,362,219</u>
Of the above:		
(a) 2,799,930 shares were allotted pursuant to a contract without payment being received in cash.		
(b) 138,833,330 shares were allotted as fully paid-up bonus shares by capitalisation of General Reserve and Capital Reserve.		
(c) Following shares allotted to the erstwhile shareholders of LKP Forex Limited pursuant to its merger with the Company effective 1st April, 2006		
(i) 319,765 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each		
(ii) 271,800 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10 each		
(iii) 14,949,000 Equity Shares of Re. 1 each		
Note: The Company has granted share options under the Company's Employees Stock Option Plan and share options outstanding as at 31st December, 2010 are 4,926,478 ( <i>Previous Year 3,976,725</i> ). Of these 205,667 ( <i>Previous Year 271,500</i> ) options have vested in 2008, 462,500 ( <i>Previous Year 636,000</i> ) options have vested in 2009, 857,605 ( <i>Previous Year 1,325,575</i> ) options have vested in 2010, 1,153,396 ( <i>Previous Year 1,054,075</i> ) will vest in 2011, 896,563 ( <i>Previous Year 689,575</i> ) will vest in 2012 and 1,350,747 ( <i>Previous Year Nil</i> ) will vest in 2013. During the Year 361,130 ( <i>Previous Year Nil</i> ) options were exercised.		

**Thomas Cook (India) Limited**  
**Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2010**

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>Schedule B</b>				
<b>Reserves and Surplus</b>				
Reserve as required under Section 80HHD of the Income-tax Act, 1961				
Balance as per last Balance Sheet	15,000,000		30,000,000	
Less: Transfer to Profit and Loss Account	15,000,000		15,000,000	
		-		15,000,000
General Reserve				
Balance as per last Balance Sheet	130,438,938		108,274,193	
Add: Transfer from Profit and Loss Account	41,538,102		22,164,745	
		171,977,040		130,438,938
Foreign currency translation Reserve		(7,236,172)		-
Profit and Loss Account		1,381,972,524		1,029,606,280
Share Premium				
Opening balance	1,620,094,498		868,591	
Add: Premium on Right issue of Equity Shares	-		1,747,449,115	
Add: Premium on Issue of Equity Shares under Employee Stock Option Plan	13,742,720		-	
Add: Transfer from Employee Stock Option Plan	741,197		-	
Less: Right Issue Expenses	-		22,935,537	
Less: Premium on redemption of Preference Shares	-		105,287,671	
Closing Balance		1,634,578,415		1,620,094,498
Employee Stock Options				
Opening Employee Stock Options Outstanding	7,372,311		3,660,824	
Add: Charge to Profit & Loss Account	1,789,670		3,711,487	
Less: Transferred to Share Premium Account	741,197		-	
Closing Employee Stock Options Outstanding		8,420,784		7,372,311
		<u>3,189,712,591</u>		<u>2,802,512,027</u>
<b>Schedule C</b>				
<b>Secured Loans</b>				
Finance Lease Liability (Obligations under finance lease are secured against fixed assets acquired under finance lease arrangements)		23,512,434		7,939,155
		<u>23,512,434</u>		<u>7,939,155</u>
<b>Schedule D</b>				
<b>Unsecured Loans</b>				
Short-term Loan from Banks		1,696,604,508		1,416,864,484
Bank Overdrafts		295,486,356		275,634,086
		<u>1,992,090,864</u>		<u>1,692,498,570</u>
<b>Schedule E</b>				
<b>Deferred Taxation (Net)</b>				
Deferred Tax Liability				
On Fiscal Allowance on Fixed Assets		130,265,177		76,859,432
Less: Deferred Tax Assets				
On Provisions Allowable for tax purposes when paid	11,092,705		14,736,472	
On Provision for Doubtful Debts and Advances	29,400,953		27,851,388	
On Unabsorbed Business Losses	12,460,515			
On Unamortised Expenditure	972,660		4,976,396	
		53,926,833		47,564,256
		<u>76,338,344</u>		<u>29,295,176</u>

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Balance Sheet as at 31st December, 2010**

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>Schedule G</b>				
<b>Investments</b>				
(Unquoted unless otherwise stated)				
Current Investments				
In Treasury Bills of Government of Mauritius - Trade 1 Unit of Face Value of MUR 24,800,000 (Previous Year MUR 23,200,000)	34,798,118		33,844,592	
In fully paid-up Units of Mutual Funds - Non Trade				
- Nil (Previous Year - 18,216,580) Units of Rs. 10 each of LIC Mutual Fund Liquid Fund - Daily Dividend Plan.	-		200,019,872	
- Nil (Previous Year - 11,977,926) Units of Rs. 10 each of Birla Cash Plus - Instl. Prem. - Daily Dividend - Reinvestment.	-		120,012,827	
- 6,134,969.325 (Previous Year - Nil) Units of Rs. 10 each of IDFC Mutual Fund Cash Fund.	70,000,000		-	
- 2,985,559 (Previous Year - Nil) Units of Rs. 10 each of SBI Insta Cash Fund - Daily Dividend Option.	50,009,015		-	
		154,807,133		353,877,291
Long-term (at cost)				
In fully paid-up Ordinary Shares - Trade				
- Nil (Previous Year - 393,662) fully paid-up Ordinary Shares of SLR 10 each of Tangerine Beach Hotel Limited - Quoted		-		1,279,624
- 676 fully paid-up Class C (Series I) Common Stock of USD 0.0001 each of Visa Inc.		962,589		962,589
In fully paid-up Ordinary Shares - Non Trade				
- 10 fully paid-up Equity Shares of Rs. 10 each of JIK Industries Limited (Quoted)		18,000		18,000
- 100 fully paid-up Equity Shares of Rs. 10 each of Weizmann Limited (Quoted)		2,000		2,000
		155,789,722		356,139,504
Less: Provision for diminution in value of investment		17,805		16,535
		155,771,917		356,122,969
Aggregate amount of Quoted Investments		2,195		1,283,089
Aggregate amount of Unquoted Investments		155,769,722		354,839,880
		155,771,917		356,122,969
Aggregate Market Value of Quoted Investments		2,195		10,133,539
<b>Schedule H</b>				
<b>Sundry Debtors</b>				
Unsecured, Considered Good				
Outstanding exceeding six months	149,974,718		86,796,514	
Others	2,074,988,768		1,984,334,210	
		2,224,963,486		2,071,130,724
Unsecured, Considered Doubtful				
Outstanding exceeding six months	83,652,762		64,139,768	
Less: Provision for Doubtful Debts	83,652,762		64,139,768	
		-		-
		2,224,963,486		2,071,130,724

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Balance Sheet as at 31st December, 2010**

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>Schedule I</b>				
<b>Cash and Bank Balances</b>				
Cash and Cheques on Hand (including Foreign Currencies - Notes and paid documents)		534,718,005		400,850,740
Remittances in Transit (including Foreign Currencies - Notes and paid documents)		285,132,729		377,076,431
Balances with Scheduled Banks				
on Current Accounts	366,738,476		108,866,790	
on Deposit Accounts	<u>243,832,672</u>		<u>56,975,664</u>	
[Of the above Rs. 14,000,949 (Previous Year - Rs. 13,715,664) on lien with various authorities]		610,571,148		165,842,454
Balances with Non-Scheduled Banks				
On Current Accounts				
Bank of America, Singapore	-		5,421,579	
Deutsche Bank Trust Company Americas, New York, USA	-		233,284,962	
Deutsche Bank AG, Frankfurt, Germany	12,579,529		154,785,506	
Bank of Nova Scotia, Toronto, Canada	-		5,305,212	
ANZ National Bank Limited, Wellington, New Zealand	4,678,048		1,046,435	
ANZ National Bank Limited, Melbourne, Australia	979,333		-	
Bank of America, Bangkok, Thailand	1,740,908		-	
Lloyds Bank, London, United Kingdom	1,234,327		1,443,429	
JP Morgan Chase Bank, New York, USA	2,467,610		1,945,837	
AfrAsia Bank Limited, Mauritius	668,580		605,168	
Bank One, Mauritius	187,875		685,769	
Bramer Bank, Mauritius	36,616,579		8,698,767	
HSBC Bank, Mauritius	2,769,810		1,197,249	
Barclays Bank, Mauritius	5,082,471		28,283,482	
State Bank, Mauritius	11,247,625		314,651	
MCB, Mauritius	59,532,632		85,660,458	
IOIB, Mauritius	1,185,745		4,903,589	
MPCB, Mauritius	-		257,398	
Banque Des Mascareignes Bank, Mauritius	278,310		4,678,178	
Deutsche Bank, Frankfurt ,Germany	8,254,255		1,462,937	
Deutsche Bank, London, UK	3,442,242		825,388	
Deutsche Bank, New York, USA	347,804		14,717,982	
Commercial Bank, Colombo, Sri Lanka	130,890		-	
Standard Chartered Grindlays Bank, Colombo, Sri Lanka	15,762,185		11,093	
NDB Bank, Colombo, Sri Lanka	<u>15,790</u>		<u>13,515</u>	
	169,202,548		555,548,584	
On Deposit Accounts				
NDB Bank, Colombo, Sri Lanka	<u>1,413,380</u>		<u>1,823,262</u>	
		<u>170,615,928</u>		<u>557,371,846</u>
		<u>1,601,037,810</u>		<u>1,501,141,471</u>

**Thomas Cook (India) Limited**  
**Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2010**

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>Schedule J</b>				
<b>Loans and Advances</b>				
(Unsecured, Considered Good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received				
Considered Good	1,170,300,695		748,695,566	
Considered Doubtful	5,273,797		5,273,797	
	1,175,574,492		753,969,363	
Less: Provision for Doubtful Advances	5,273,797		5,273,797	
		1,170,300,695		748,695,566
Advance Tax (Net of Provisions)		244,970,625		337,983,361
MAT Entitlement Credit [Refer Note 3(o) of Schedule Q]		24,870,115		-
		1,440,141,435		1,086,678,927
<b>Schedule K</b>				
<b>Liabilities</b>				
Sundry Creditors*				
Balance Purchase Consideration for Acquisition of Sri Lanka Branch		1,821,106,090		1,972,417,834
Advance Payments from Customers for which value is still to be given (including Travellers Cheques, Drafts and Transfers Unpaid)		4,802,000		4,802,000
Unpaid Dividend@		402,918,229		287,754,852
Interest accrued but not due		2,118,436		2,095,567
Fractional Entitlement on Bonus Shares Refund Accounts		7,716,918		4,080,960
Other Liabilities		49,066		49,066
		40,626,003		35,185,160
		2,279,336,742		2,306,385,439
*Includes Book Overdrafts aggregating to Rs. 264,380,958 (Previous Year Rs. 867,515,925)				
@There is no amount due and outstanding to be credited to Investor Education and Protection Fund.				
<b>Schedule L</b>				
<b>Provisions</b>				
Proposed Dividend		79,427,887		79,292,463
Proposed Preference Dividend		59		59
Corporate Dividend Tax		13,498,247		13,475,764
Provision for Leave Encashment		3,597,949		19,698,495
Provision for Gratuity		20,843,188		37,794,866
Provision for Fringe Benefit Tax [Net of Advance tax Rs. 15,235,431 (Previous year Rs. 15,235,431)]		409,678		409,678
		117,777,008		150,671,325

**Thomas Cook (India) Limited**  
**Schedules forming part of the Consolidated Profit and Loss Account for the year ended 31st December, 2010**

	Year ended 31st December, 2010	Year ended 31st December, 2009
	Rupees	Rupees
<b>Schedule M</b>		
<b>Other Income</b>		
Dividend on Current Investments - Non Trade	1,310,878	1,637,671
Rent	169,286	959,702
Profit on Sale of Fixed Assets (Net)	142,626,864	-
Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers	13,629,502	-
Profit on Redemption of Long-term Investment	14,098,942	-
Liabilities no longer required written back	70,599,045	65,887,069
Recovery of Expenses	43,635,535	22,330,338
Miscellaneous Income	9,203,329	3,483,167
	<u>295,273,381</u>	<u>94,297,947</u>
<b>Schedule N</b>		
<b>Personnel Cost</b>		
Salaries, Wages and Bonus*	1,062,102,915	953,703,100
Contribution to Provident and Other Funds	56,262,701	53,482,733
Premium on / Provision/ (Write back) for Gratuity-cum-Life Assurance Policy	12,129,329	(1,045,390)
Staff Welfare Expenses	55,850,850	39,094,098
Staff Training, Recruitment and Other Costs	22,177,392	10,396,617
Incentive/Commission to Staff and Directors	81,776,309	16,977,672
	<u>1,290,299,496</u>	<u>1,072,608,830</u>
* Includes Rs. 1,789,670 (Previous Year - Rs. 3,711,487) on account of discounting charges on Employee Stock Options.		

**Thomas Cook (India) Limited**  
**Schedules forming part of the Consolidated Profit and Loss Account for the year ended 31st December, 2010**

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>Schedule O</b>				
<b>Other Expenses</b>				
Rent		208,458,569		208,958,838
Rates and Taxes		7,634,974		6,752,234
Insurance		12,593,964		14,331,569
Repairs and Maintenance				
Buildings	639,343		885,693	
Others	74,102,205		66,695,252	
		74,741,548		67,580,945
Electricity		46,012,955		46,099,489
Printing and Stationery		23,696,701		20,583,541
Postage, Telegrams, Telex and Telephones		115,526,722		87,696,138
Freight Currency Shipment		22,513,736		23,233,028
Legal and Professional Charges		143,156,693		109,817,821
Auditors' Remuneration				
Audit Fees	7,051,472		7,054,047	
Reports under the provisions of the Income-tax Act, 1961	3,775,000		3,777,575	
Miscellaneous Reports	246,000		71,000	
Reimbursement of Expenses	158,096		213,495	
	11,230,568		11,116,117	
Branch Auditors' Remuneration - Audit Fees	430,533		373,580	
		11,661,101		11,489,697
Travelling and Conveyance		115,328,495		78,205,728
Directors' Fees		1,671,819		1,696,290
Security Services		29,230,099		24,716,477
Vehicle Running and Maintenance		28,756,856		32,287,305
Licence Fees		22,250,197		22,023,037
Loss on Sale of Fixed Assets (Net)		-		13,941,504
Bad Debts and advances written off		33,622		60,928,008
Provision/(Write back) for Doubtful Debts and Advances (Net)		19,513,022		(32,282,334)
Provision for diminution in the value of Long Term Investment		1,270		-
Donations		7,500		25,000
Exchange Variation (Net) other than in the normal course of business as Authorised Foreign Exchange Dealers		-		5,191,257
Miscellaneous Expenses		37,865,566		26,235,326
		<u>920,655,409</u>		<u>829,510,898</u>
<b>Schedule P</b>				
<b>Interest and Other Finance Expenses</b>				
<b>Interest</b>				
Short-term Loans from Banks	125,621,975		130,514,233	
Bank Overdrafts	26,384,414		18,824,439	
Others	6,549,790		2,806,393	
	158,556,179		152,145,065	
Other Finance Expenses	63,349,243		63,020,800	
		221,905,422		215,165,865
<b>Less: Interest Income</b>				
On Deposits with Banks (Gross) [Tax Deducted at Source Rs. 113,795 (Previous Year - Rs. 562,245)]	4,258,015		3,214,367	
Income Tax refund	6,711,328		-	
Others	245,799		1,857,999	
		11,215,142		5,072,366
		<u>210,690,280</u>		<u>210,093,499</u>

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Balance Sheet as at 31st December, 2010**  
**Schedule F**  
**Fixed Assets**

(Rupees)

Description	Gross Block (at cost)				Depreciation/Amortisation					Net Block		
	As at 01.01.2010	Additions	Deductions	Translation Exchange Difference	As at 31.12.2010	As at 01.01.2010	For the year	On Deductions	Translation Exchange Difference	As at 31.12.2010	As at 31.12.2010	As at 31.12.2009
<b>Intangible Assets</b>												
Goodwill	8,831,169	-	-	-	8,831,169	8,831,169	-	-	-	8,831,169	-	-
Goodwill on Consolidation	1,453,969,274	-	-	-	1,453,969,274	-	-	-	-	-	1,453,969,274	1,453,969,274
Software	341,765,260	42,811,307	-	(111,611)	384,464,956	202,168,437	62,262,301	-	(39,593)	264,391,145	120,073,811	139,596,823
<b>Tangible Assets</b>												
Leasehold Properties	45,775,369	12,500,000	4,242,711	-	54,032,658	36,756,611	3,826,151	2,583,615	-	37,999,147	16,033,511	9,018,758
Freehold Properties	283,307,990	223,105,953	27,509,499	-	478,904,444	73,944,943	6,026,056	8,185,869	-	71,785,130	407,119,314	209,363,047
Strong Room	692,425	-	-	-	692,425	600,546	15,773	-	-	616,319	76,106	91,879
Furniture and Fittings	282,305,914	57,373,075	23,438,004	(653,566)	315,587,419	116,467,447	17,136,264	12,710,300	(123,385)	120,770,026	194,817,393	165,838,467
Computers	254,635,121	27,937,230	21,149,716	(238,040)	261,184,595	211,184,641	24,924,548	20,888,000	(212,248)	215,008,941	46,175,654	43,450,480
Office Equipment	219,879,201	34,229,971	20,628,381	1,162,922	234,643,713	84,767,275	14,490,306	11,043,497	(9,979)	88,204,105	146,439,608	135,111,926
Vehicles	50,861,219	19,450,020	9,200,865	1,300,395	62,410,769	39,619,938	6,360,576	7,959,195	136,349	38,157,668	24,253,101	11,241,281
<b>Total</b>	<b>2,942,022,942</b>	<b>417,407,556</b>	<b>106,169,176</b>	<b>1,460,100</b>	<b>3,254,721,422</b>	<b>774,341,007</b>	<b>135,041,975</b>	<b>63,370,476</b>	<b>(248,856)</b>	<b>845,763,650</b>	<b>2,408,957,772</b>	<b>2,167,681,935</b>
<i>Previous year</i>	<i>2,862,889,731</i>	<i>164,473,055</i>	<i>85,339,844</i>	<i>-</i>	<i>2,942,022,942</i>	<i>721,235,019</i>	<i>116,443,449</i>	<i>63,337,461</i>	<i>-</i>	<i>774,341,007</i>	<i>2,167,681,935</i>	

**Notes:**

- Intangible Assets are other than internally generated.
- Cost of Freehold Properties includes:
  - 130 (Previous Year 155) unquoted fully paid-up Shares of Rs. 6,500 (Previous Year Rs. 8,000) in various Co-operative Societies.
  - Share application money of Rs. 2,040 to various Co-operative Societies.
  - Premises of Rs. 207,114,753 (Previous Year Rs. 12,098,500) on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.
  - Premises of Rs. 163,506,670 where the Co-operative Society is yet to be formed.
  - Rs. 12,100,000 being cost of 65 Debentures of the face value for Rs. 7,800 each (net of redemption) conferring occupancy rights of a portion of a building (Chandermukhi) as office premises and 900 equity shares of the face value of Rs.100 each of R.R.Investments and Estates Ltd.
- Gross block & Net block of assets includes assets acquired under Finance Leases as follows:
  - Vehicles Rs.25,821,792 (Previous Year Rs.7,376,206) and Rs.19,340,904 (Previous Year Rs. 3,151,639) respectively.
  - Computer hardware Rs. 3,053,425 (Previous Year Rs. 3,053,425) and Rs. 1,832,055 (Previous Year Rs. 2,595,411) respectively.
  - Computer software Rs. 2,040,754 (Previous Year Rs. 2,040,754) and Rs. 1,224,453 (Previous Year Rs. 1,734,641) respectively.

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2010**

**Schedule Q**  
**Notes to the Consolidated Financial Statements**

**1. Basis of Consolidation**

The consolidated financial statements of Thomas Cook (India) Limited (the Company), and its domestic and foreign subsidiary companies are prepared in accordance with Accounting Standard (AS) - 21 on Consolidated Financial Statements, as per the Companies (Accounting Standard) Rules, 2006. All inter-company balances and transactions have been eliminated.

(a) List of subsidiary companies considered in the consolidated financial statements is as follows -

<u>Name of the Company</u>	<u>Country of Incorporation</u>	<u>Proportion of Ownership</u>
Travel Corporation (India) Limited	India	100%
Thomas Cook Insurance Services (India) Limited	India	100%
Indian Horizon Travel and Tours Limited	India	100%
Thomas Cook Tours Limited	India	100%
Thomas Cook (Mauritius) Holding Company Limited*	Mauritius	100%
Thomas Cook (Mauritius) Operations Company Limited*	Mauritius	100%
Thomas Cook (Mauritius) Travel Limited*	Mauritius	100%
Thomas Cook (Mauritius) Holidays Limited*	Mauritius	100%

\* The accounting year for these Companies is October to September, hence these Companies are consolidated for the period 1st October, 2009 to 30th September, 2010. There are no significant transactions or other events from 1st October, 2010 to 31st December 2010. There is no change in Company's interest in these subsidiaries from 1st October, 2010 to 31st December 2010.

(b) The excess of cost of the Company of its investment in the subsidiary company over its share of equity of the subsidiary company, at the date on which the investment in the subsidiary company is made is recognised as Goodwill being an asset in the Consolidated Financial Statements.

**2. Significant Accounting Policies**

The financial statements are prepared to comply in all material aspects with the applicable statute. The significant accounting policies are as follows -

(a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

(b) Fixed Assets and Depreciation

(i) The gross block of fixed assets is stated at the purchase price of acquisition of such fixed assets including any attributable cost for bringing the asset to its working condition for its intended use.

(ii) Depreciation on fixed assets is provided at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates determined based on the useful lives of the assets as estimated by the management, whichever are higher. Depreciation is provided on Straight Line Method. The rates adopted for depreciation determined on the basis of useful lives of fixed assets are as follows:

<u>Description of Asset</u>	<u>Rate of Depreciation</u>
Software	25%
Computers	25%
Office Equipment - VSAT and Communication Router	10%
Vehicles	15%

Fixed assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

(iii) Leasehold properties are amortised over the period of the lease.

(c) (i) Foreign Currency Transactions

All the monetary items denominated in foreign currency are valued at the Foreign Exchange Dealers Association of India rate (FEDAI) (except for Sri Lanka branch and Mauritius), and the exchange variations arising out of settlement/conversion at the FEDAI rate are recognised in the Profit and Loss Account.

Monetary items of Sri Lanka branch are valued at closing rates obtained from Bank of Ceylon, as the daily buying and selling rates are set on rates obtained from them.

In case of foreign exchange business at Mauritius Subsidiaries, foreign currency transactions are stated at the rate of exchange prevailing at the time of accounting such transactions and exchange variations are dealt within the Profit and Loss Account. Current assets and liabilities at the year end are converted at closing rates and exchange variations are recognised in the Profit and Loss Account.

Profit or loss on purchase and sale of foreign exchange by the Company in its capacity as authorised dealer are accounted as a part of the turnover.

(ii) Foreign Branch and Subsidiaries

In the case of foreign branch, being Integral operations, revenue items except depreciation are translated at average rate, depreciation is translated at the rates used for the translation of respective fixed assets. All monetary assets and liabilities are translated at the closing exchange rates and non monetary assets are translated at the exchange rates prevailing on the date of the transaction.

In the case of foreign subsidiaries, being Non-integral operations, revenue items are translated at average rate. All assets and liabilities are translated at the closing exchange rates. Any exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".

(d) Investments

Long-term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of Long-term Investments. Current Investments are stated at lower of cost or fair value.

(e) Employee Benefits

(a) Defined Contribution Plans

The Company has Defined Contribution Plans for post employment benefits in the form of Provident Fund and Superannuation schemes. Contributions to Defined Contribution schemes such as Provident Fund and Superannuation schemes are charged to the Profit and Loss Account as incurred. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The remaining contributions are made to a government administered Provident Fund towards which the Company has no further obligations beyond its monthly contributions. The contribution to Superannuation scheme is based on the premium contribution called for by Life Insurance Corporation of India (LIC) with whom the Company has entered into an agreement for its Indian operations.

(b) Defined Benefit Plans

The Company has Defined Benefit Plans for post employment benefits in the form of Gratuity. Contribution to gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) and Tata AIG Life Insurance Company Limited with whom the Company has entered into an agreement for its Indian operations. Any short fall/excess based on independent actuarial valuation is accounted for in the relevant period.

The employees of the Company are entitled to Leave benefits as per the policy of the Company. Provision towards accrued leave is made based on actuarial valuation done by independent actuaries for the accumulated unutilised leave balances of the employees at the year-end.

Retirement benefits of Sri Lanka branch and Mauritius Companies are provided for on the basis of the local laws.

(f) Employee Stock Option Plan

Stock options granted to the employees under the stock option schemes established after 19th June, 1999 are evaluated as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to profit and loss account on graded vesting period of the options.

(g) Revenue

Revenue comprises of travellers cheques commissions and margins on foreign exchange transactions in the normal course of business as authorised dealers, net commissions earned on travel management, service agency charges including profit or loss in respect of tour and card product activities. In line with established international practice, the income arising from the buying and selling of foreign currencies (net of brokerages paid) is included on the basis of margins achieved, since inclusion on the basis of their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the company's business.

(h) Revenue Recognition

Commission on tickets and service charges from customers are recognised on issue of the tickets. Incentive from airlines are accounted on the basis of tickets issued to sectors travelled.

Revenue on foreign exchange transactions is recognised at the time of purchase and sale.

Revenue on holiday packages is recognised on proportionate basis considering the actual number of days completed as at the year end to the total number of days for each tour.

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2010**

In case of insurance business, commission on insurance policies sold is recognised on the effective commencement of the policies. Card products sales are recognised on delivery of the cards to the customers.

Revenue from other income is accounted on accrual basis.

(i) Leases

Assets acquired under finance lease arrangements are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals are allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Lease rentals in respect of operating lease arrangements are charged to the Profit and Loss Account.

(j) Taxes on Income

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

**3. Notes to the Financial Statements**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 13,213,038 (*Previous Year Rs. 5,523,432*)

(b) Contingent Liabilities

- (i) Claims against the company not acknowledged as debts  
- Demand from Bombay Electricity Supply and Transport (BEST) for Electricity  
- Various Miscellaneous Claims  
(ii) Disputed Income Tax Demands  
(iii) Disputed Service Tax Demands  
(iv) Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation  
(v) Disputed Value Added Tax Demands

As at 31st December, 2010	As at 31st December, 2009
Rupees	Rupees
1,961,083	1,961,083
420,722	601,420
148,608,045	208,634,520
931,398,693	310,761,671
41,346,200	37,211,580
3,182,594	-

Note:

Future cash outflows in respect of the above contingent liabilities are determinable only on receipt of judgements/decisions pending with various forums/authorities.

(c) The tax year for the company being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31st March, 2010 and the provision based on the figures for the remaining nine months up to 31st December, 2010, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2010 to 31st March, 2011.

(d) Segment information is provided so that the users of these financial statements can appreciate the diverse nature of the businesses carried out by Thomas Cook (India) Limited and its subsidiary companies.

(i) Business Segments

- Financial services                      Include wholesale purchase and sale of foreign currencies and paid documents
- Travel and related services            Include retail purchase and sale of foreign currencies and paid documents, tour operations, travel management and travel insurance

(ii) Geographical Segments

- India    Include revenue from customers within India
- Rest of the world                              Include revenue from customers outside India

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2010**

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
(l) Information in respect of Primary Segments				
(a) Segment Revenue				
Financial Services		383,761,973		417,036,714
Travel and Related Services		2,719,939,078		2,234,968,280
		<u>3,103,701,051</u>		<u>2,652,004,994</u>
(b) Segment Result				
Financial Services	195,928,702		257,375,191	
Travel and Related Services	1,122,769,235		767,027,024	
		1,318,697,937		1,024,402,215
Less: Interest and other finance expenses	210,690,280		210,093,499	
Other Common Expenses	471,740,093		409,448,531	
		682,430,373		619,542,030
Profit before Taxation and Exceptional Item		<u>636,267,564</u>		<u>404,860,185</u>
(c) Other Information				
(i) Segment Assets				
Financial Services	1,212,784,466		1,129,928,659	
Travel and Related Services	4,538,703,283		4,284,594,461	
		5,751,487,749		5,414,523,120
Add: Common Assets		2,145,003,583		1,792,140,791
		<u>7,896,491,332</u>		<u>7,206,663,911</u>
(ii) Segment Liabilities				
Financial Services	132,569,566		146,832,220	
Travel and Related Services	2,263,673,254		2,289,611,372	
		2,396,242,820		2,436,443,592
Add: Common Liabilities		2,092,812,572		1,750,346,073
		<u>4,489,055,392</u>		<u>4,186,789,665</u>
(iii) Segment Capital Employed (Segment Assets less Segment Liabilities)				
Financial Services	1,080,214,900		983,096,439	
Travel and Related Services	2,275,030,029		1,994,983,089	
		3,355,244,929		2,978,079,528
Add: Common Capital Employed		52,191,011		41,794,718
		<u>3,407,435,940</u>		<u>3,019,874,246</u>
(iv) Capital Expenditure				
Financial Services	57,819,055		42,722,188	
Travel and Related Services	201,458,286		109,921,574	
		259,277,341		152,643,762
Add: Common Capital Expenditure		158,130,215		11,829,293
		<u>417,407,556</u>		<u>164,473,055</u>
(v) Depreciation/Amortisation				
Financial Services	23,155,729		27,379,693	
Travel and Related Services	98,639,845		79,103,616	
		121,795,574		106,483,309
Add: Common Depreciation and Amortisation		13,246,401		9,960,140
		<u>135,041,975</u>		<u>116,443,449</u>
(vi) Significant Non-Cash Expenditure				
Financial Services	4,803,467		1,625,101	
Travel and Related Services	14,743,177		27,020,573	
		19,546,644		28,645,674
Add: Common Non-Cash Expenditure		-		-
		<u>19,546,644</u>		<u>28,645,674</u>

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2010**

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
(II) Information in respect of Secondary Segments				
(a) Segment Revenue				
India	2,672,445,898		2,134,836,964	
Rest of the World	431,255,153		517,168,030	
		3,103,701,051		2,652,004,994
(b) Carrying amount of Segment Assets				
India	4,901,525,446		4,852,149,250	
Rest of the World	849,962,303		562,373,870	
		5,751,487,749		5,414,523,120
Add: Common Assets		2,145,003,583		1,792,140,791
		<u>7,896,491,332</u>		<u>7,206,663,911</u>
(c) Capital Expenditure				
India	249,362,051		137,991,781	
Rest of the World	9,915,290		14,651,981	
		259,277,341		152,643,762
Add: Common Capital Expenditure		158,130,215		11,829,293
		<u>417,407,556</u>		<u>164,473,055</u>

(e) Related Party Disclosures

(A) Enterprises where control exists

- (i) Holding Company                      TCIM Limited, UK holds 55.77% of Equity Shares of the Company. Thomas Cook UK Limited, the Holding Company of TCIM Limited, UK owns 21.41% of Equity Shares of the Company. Thomas Cook UK Limited is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.

(B) Other Related Parties with whom the Company had transactions during the year

- (i) Fellow Subsidiaries                      Thomas Cook Tour Operations Limited, UK  
Thomas Cook AG, Germany  
Thomas Cook Northern Europe  
Thomas Cook Signature Limited, UK  
Thomas Cook Reisen, Germany  
Neckermann Reisen, Germany  
Thomas Cook Overseas Limited, Egypt
- (ii) Key Management Personnel              Madhavan Menon  
Vinayak K. Purohit  
Rakshit Desai  
Amitabh Pandey  
Dr. Prasanth Nair  
R. R. Kenkare
- (iii) Relative of Key Management Personnel      Lili Menon

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2010**

(C) Disclosure of transactions between the Company and related parties and outstanding balances as at the year end:

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
(i) Holding Company				
License Fees				
Thomas Cook UK Limited		19,148,800		19,001,100
Reimbursement of Expenses				
Thomas Cook UK Limited		11,884,487		-
Dividend Remitted				
TCIM Limited, UK		44,296,875		44,296,875
Thomas Cook UK Limited		17,004,918		17,004,918
(ii) Fellow Subsidiaries				
Sale of Services*				
Thomas Cook Tour Operations Limited, UK	330,760,671		424,296,845	
Thomas Cook AG, Germany	38,808,025		39,606,095	
Thomas Cook, Northern Europe	46,531,161		73,420,247	
Others	29,397,387		23,905,725	
		445,497,244		561,228,912
Services Availed#				
Thomas Cook Overseas Limited, Egypt		14,646,111		14,095,206
Outstanding Receivables				
Thomas Cook Tour Operations Limited, UK	15,977,178		13,881,452	
Thomas Cook AG, Germany	6,743,941		2,890,347	
Thomas Cook, Northern Europe	13,531,774		16,956,432	
Others	4,903,133		4,009,963	
		41,156,026		37,738,194
Outstanding Payables				
Thomas Cook Overseas Limited, Egypt		7,090,258		5,153,151
*Sale value of transactions				
#Purchase value of transactions				
(iii) Key Management Personnel				
Remuneration#				
Madhavan Menon	16,878,705		15,621,727	
Vinayak K. Purohit	15,272,281		13,484,098	
Rakshit Desai	25,201,185		23,568,159	
Amitabh Pandey	5,408,647		6,308,167	
Dr. Prasanth Nair	5,626,946		5,633,043	
R. R. Kenkare	7,161,550		7,850,856	
Nalini Gupta	-		13,227,350	
Parag Mehta	-		5,209,494	
		75,549,314		90,902,894
#Gratuity is contributed for the Company as a whole and hence excluded.				
(iv) Relative of Key Management Personnel				
Rent Expense				
Lili Menon		1,926,000		1,926,000
Balance as at the year end - Deposit Receivable				
Lili Menon		16,500,000		16,500,000

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2010**

	Year ended 31st December, 2010	Year ended 31st December, 2009
	Rupees	Rupees
(f) Disclosures for Leases		
(A) Finance Leases		
(i) Minimum Lease Payments payable		
- Not later than one year	8,255,661	2,206,414
- Later than one year but not later than five years	<u>20,024,836</u>	<u>7,401,979</u>
	<u>28,280,497</u>	<u>9,608,393</u>
(ii) Present Value of Minimum Lease Payments payable		
- Not later than one year	6,100,952	1,553,427
- Later than one year but not later than five years	<u>17,411,482</u>	<u>6,385,728</u>
	<u>23,512,434</u>	<u>7,939,155</u>
(iii) Reconciliation of Minimum Lease Payments and their Present Value		
- Minimum Lease Payments Payable as per (i) above	28,280,497	9,608,393
- Less: Finance Charges to be recognised in subsequent years	4,768,063	1,669,239
- Present Value of Minimum Lease Payments payable as per (ii) above	<u>23,512,434</u>	<u>7,939,154</u>
(iv) Finance Charges recognised in the Profit and Loss Account	5,098,706	494,599
(B) Operating Leases		
Disclosures in respect of agreements for office and residential premises taken on lease		
(i) Lease payments recognised in the Profit and Loss Account	241,153,078	236,790,680
(ii) Significant leasing arrangements		
- The Company has given refundable interest free security deposits under certain agreements.		
- The lease agreements are for a period of eleven months to ninety years.		
- The lease agreements are cancellable at the option of either party by giving one month to six months' notice.		
- Certain agreements provide for increase in rent.		
- Some of the agreements contain a provision for their renewal.		
(iii) Future minimum lease payments under non-cancellable agreements		
- Not later than one year	28,388,396	25,843,607
- Later than one year and not later than five years	35,382,667	27,347,265
- Later than five years	2,028,619	2,145,771

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2010**

	Year ended 31st December, 2010	Year ended 31st December, 2009
	Rupees	Rupees
(g) In determining earnings per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of dilutive potential equity shares. Earnings per Share has been computed as under:		
Profit attributable to Equity Shareholders *	<u>471,609,552</u>	<u>249,142,125</u>
Weighted average number of shares - Basic	211,669,810	208,671,188
Weighted average number of shares - Diluted	218,681,261	215,629,197
Basic Earnings per Share (Rs. per Equity Share of Re. 1 each)	2.23	1.19
Diluted Earnings per Share (Rs. per Equity Share of Re. 1 each)	2.17	1.16
* Dividend amounting to Rs. 69 (Previous Year Rs. 973,507) (including Corporate Dividend Tax) on Preference shares outstanding during the year has been considered in determining the EPS for the year ended 31st December, 2010.		

- (h) Revenue includes
- (i) Brokerage and Incentives paid netted off Rs. 368,774,136 (Previous Year Rs. 243,486,572).
- (ii) Exchange loss on revaluation of Nostro and other Bank Accounts used for holding foreign currency for travel business Rs. 36,210,634 (Previous Year Rs. 10,913,354).
- (i) Thomas Cook Mauritius Operations Company Ltd. (TCMOCL), a subsidiary of Thomas Cook (India) Ltd. (TCIL), operates in foreign exchange business.
- During the year it was observed that there were accounting and reconciliation issues in the books of accounts of TCMOCL, therefore, TCIL appointed Lovi Mehrotra & Associates (LMA) – one of the internal auditors for TCIL - to re-write the accounts of TCMOCL. It was observed that the financial statements of TCMOCL has been misstated in prior years by the Finance Manager of that Subsidiary. An independent investigation revealed that there were unexplained asset balances, accounting of duplicate/unsupported sales entries, unsatisfactory books of accounts and erroneous bank reconciliation statements in the books as on 30th September, 2009 and concluded that TCMOCL overstated the profits aggregating to Rs 75,841,212 in prior years. However they did not indicate any instance of unauthorised or inappropriate withdrawals or missing deposit in the bank accounts. The investigation report concluded that the turnover & profit for the year ended 31st December, 2008 & period ended 30th September, 2009 were overstated by Rs. 23,485,806 & Rs. 52,355,406 respectively.
- Consequently, corresponding bank balances & retained profits as on 31st December, 2008 & 30th September, 2009 were overstated by Rs. 23,485,806 & Rs. 52,355,406 respectively. These amounts aggregating to Rs. 75,841,212 has been corrected in the current year and shown as a prior period item under the head Turnover.
- The investigator had made recommendations in their report to mitigate control weaknesses, which have since been implemented. The finance manager in charge of the accounting function in TCMOCL has been replaced and internal controls have been strengthened.
- (j) The Company had considered Non-Compete Fees amounting to Rs. 220,000,000 paid during the financial year ended 31st December, 2007 as an allowable expenditure for the purpose of computing the provision for tax. In the current year, the Company has received an assessment order from the Income Tax authorities in respect of the assessment year 2007-08. This order has allowed the deduction of non compete fees of Rs. 220,000,000 prorated equally over assessment years 2007-08, 2008-09 and 2009-10 respectively. The necessary adjustments for the year wise provision for tax have been made in the books of account.
- (k) Exceptional Item represents Rs. 100,000,000 received as compensation towards termination of Non Compete Agreement for the LKP Forex Acquisition.
- (l) During the previous year ended 31st December, 2009, the Management had restructured its branches and businesses based on a review of its operations and has incurred personnel cost of Rs. 97,706,718.

**Thomas Cook (India) Limited**  
**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2010**

(m) Employee Stock Options :

**Thomas Cook Employees Stock Option Plan -2007.**

The Company has established an Employee Stock Option Plan called -"Thomas Cook Employees Stock Option Plan - 2007". The same has been approved by a Special Resolution passed by the Shareholders by a Postal Ballot on 23rd March, 2007.

The Scheme is in accordance with the provisions of Securities and Exchange Board of India (SEBI)- (Employee Stock Option Scheme and Employee Stock Purchase Scheme ) Guidelines, 1999. The exercise price is as governed by the guidelines issued by SEBI.

The objectives of this plan are :

- (a) Motivate talent in the organization with a view to achieve long term business goals.
- (b) Retain key talent in the organization
- (c) Foster ownership and motivation.

The grant of options to employees under the stock option scheme is on the basis of their performance and other eligibility criteria. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The unvested options shall vest with the participant in 3 equal annual installments on each of the anniversaries from the Grant Date.

**Thomas Cook Save As You Earn (SAYE) -2010.**

Further to the Thomas Cook Employees Stock Option Plan - 2007, the Company has established a Thomas Cook Save As You Earn (SAYE), Scheme - 2010. The SAYE scheme has been approved by a Special Resolution passed on 14th December, 2010, by the shareholders by means of a Postal Ballot and shall be effective from that date. SAYE is a Monthly Savings Contribution Scheme available to all employees of Thomas Cook (India) Limited and its subsidiaries provided that they have completed at least 6 months in the organization.

The objectives of the SAYE Scheme -2010 are same as Thomas Cook Employees Stock Option Plan -2007.

SAYE allows employees to save a part of their net pay every month which gets deposited with a bank in a recurring deposit account carrying fixed rate of interest. At the end of 3 years, employees have the option to either purchase specific number of equity shares of Thomas Cook (India) Limited at the predetermined exercise price or withdraw the monthly savings contributions along with interest accrued.

Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The maximum number of options granted per participant per grant will not exceed 200,000 (Two Hundred Thousand) equity shares. The maximum number of equity shares that may be issued / transferred pursuant to the exercise of options granted under the SAYE scheme shall not exceed 3,000,000 (Three Million) equity shares.

Vesting under the scheme is linked to the continued association with the Group. The options would vest only when an employee has completed the committed 36 monthly contributions. The exercise period would not be more than one month from the date of vesting.

**Following are the details of Options granted under these Schemes :**

Particulars	Grant Registration				
	GT 25 Jul 2007	GT 10 Jul 2008	GT 20 Mar 2009	GT 27 May 2010	SAYE 14 Dec 2010
Grant Date (GT)	25-Jul-07	10-Jul-08	20-Mar-09	27-May-10	14-Dec-10
Pricing Formula	95 % of the closing market price on the stock exchange where higher number of shares are traded			90 % of the closing market price on the stock exchange where higher number of shares are traded	
Exercise Price	61.89	77.62	30.31	52.74	50.40
Options Granted and Accepted	1,104,125	1,240,000	2,068,725	991,313	1,020,310
Options vested and exercisable	617,000	513,660	395,062	-	-
Options exercised	113,540	-	261,130	-	-
Options -Lapsed/Cancelled/Forfeited	373,585	469,500	280,240	-	-
Total No of Options in force (Vested and Unvested )	617,000	770,500	1,527,355	991,313	1,020,310

During the year ended 31st December 2010, a total of 361,130 equity shares of Re. 1 each were issued & allotted under the Thomas Cook Employee Stock Option Plan - 2007. Consequently, the issued & paid up Equity Share Capital has increased to 211,807,699 shares.

(n) Employees of the Company and other parties misappropriated assets aggregating to Rs. 5,620,000 (*Previous Year Rs. 6,298,294*) during the year. The Company has recovered Rs. 350,000 so far. The cases are under investigation and Company has taken steps for recovering the balance amount.

**Thomas Cook (India) Limited**

**Schedule forming part of the Consolidated Financial Statements for the year ended 31st December, 2010**

(o) As per the provision of Section 115JAA, MAT Credit receivable has been recognized on the basis of return of income filed for the previous years. MAT credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period (as per the Income Tax Act, 1961). MAT credit is recognised as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India and disclosed in the Schedule "J", Loans and Advances. The said assets is created by the way of credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The company will review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period (as per the Income Tax Act, 1961).

(p) Previous Year figures have been regrouped where necessary.

In terms of our report of even date

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board

Vasant Gujarathi  
Partner  
Membership No. 17866

Madhavan Menon  
Managing Director

Vinayak K. Purohit  
Executive Director - Finance

Rakshit Desai  
Executive Director - Travel Services

R. R. Kenkare  
President & Head - Legal &  
Company Secretary

Mumbai, 17th February, 2011

Mumbai, 17th February, 2011

**Thomas Cook (India) Limited**  
**Consolidated Cash Flow Statement for the year ended 31st December, 2010**

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>A. Cash flow from operating activities</b>				
Net Profit before Taxation and after Exceptional Item		736,267,564		404,860,185
Adjustments for -				
Depreciation	135,041,975		116,443,449	
Discounting charge for Employee Stock Option	1,789,670		3,711,487	
Interest and Other Finance Expenses (Net of Interest Income)	210,690,280		210,093,499	
Dividend Income	(1,310,878)		(1,637,671)	
(Profit)/Loss on Sale of Fixed Assets (Net)	(142,626,864)		13,941,504	
(Profit) on Redemption of Long-term Investment	(14,098,942)		-	
Provision for diminution in the value of Long Term Investment	1,270		-	
		189,486,511		342,552,268
Operating profit before working capital changes		925,754,075		747,412,453
Adjustments for -				
Trade and Other Receivables	(575,212,590)		(523,424,300)	
Trade and Other Payables	(125,456,191)		751,317,567	
		(700,668,781)		227,893,267
Cash generated from operations		225,085,294		975,305,720
Direct Taxes paid (Net of refund of taxes)		(149,352,624)		(164,913,933)
Net cash from operating activities		75,732,670		810,391,787
<b>B. Cash flow from investing activities</b>				
Purchase of Fixed Assets	(397,422,140)		(173,279,941)	
Sale of Fixed Assets	185,425,564		8,060,879	
Sale or Redemption/(Purchase) of Investments	214,448,724		(353,877,291)	
Interest Received	10,989,841		4,212,077	
Dividend Received	1,310,878		1,637,671	
Net cash from/(used in) investing activities		14,752,867		(513,246,605)
<b>C. Cash flow from financing activities</b>				
Redemption of Preference Shares	-		(1,155,287,671)	
Proceeds from Right issue of Equity Shares (net of expenses)	-		1,775,164,277	
Proceeds from issue of Equity Shares under ESOP	14,103,850		-	
Proceeds/(Repayment) of Borrowings	299,592,294		(907,564,509)	
Proceeds of Finance Lease liability (Net)	15,573,279		3,478,888	
Interest and Other Finance Expenses paid	(218,269,464)		(225,239,820)	
Dividend Paid	(79,342,838)		(89,805,583)	
Tax on Dividend Paid	(13,181,661)		(15,265,126)	
Net cash from/ (used in) financing activities		18,475,460		(614,519,544)
<b>D. Effect of exchange fluctuation on translation reserve</b>		(9,064,658)		-
Net increase/(decrease) in cash and cash equivalents		99,896,339		(317,374,362)
Cash and Cash Equivalents - Opening Balance		1,501,141,471		1,818,515,833
Cash and Cash Equivalents - Closing Balance		1,601,037,810		1,501,141,471

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, notified under sub-section (3C) of Section 211 of The Companies Act, 1956.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board

Vasant Gujarathi  
Partner  
Membership No. 17866

Madhavan Menon  
Managing Director

Vinayak K. Purohit  
Executive Director- Finance

Rakshit Desai  
Executive Director- Travel Services

R. R. Kenkare  
President & Head- Legal &  
Company Secretary

Mumbai, 17th February, 2011

Mumbai, 17th February, 2011



## DECLARATION

We hereby declare and certify that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Offer Document is contrary to the provisions of the Companies Act, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We certify that this Offer Document contains all information specified under Schedule XVIII of the SEBI Regulations and such other information as is material and appropriate to enable the investors to make a well informed decision as to investment in the proposed Issue and further certify that all the statements in this Offer Document are true and correct.

### SIGNED BY THE DIRECTORS OF THE COMPANY

Name	Signature
Madhavan Karunakaran Menon	
Uday Chander Khanna	
Chandran Ratnaswami	
Ramesh Amrut Savoor	
Krishnan Ramachandran	
Mahendrakumar Sharma	
Kishori Jayendra Udeshi	
Harsha Raghavan	

Name	Signature
Debasis Nandy	
President & Chief Financial Officer	
R.R. Kenkare	
President & Head- Legal & Company Secretary	

**Date:** May 4, 2013

**Place:** Mumbai



**Registered Office of the Company**

**Thomas Cook (India) Limited**

Thomas Cook Building,  
Dr. D. N. Road Fort,  
Mumbai – 400001,  
Maharashtra, India

**Statutory Auditors to the Company**

**M/s. Lovelock & Lewes, Chartered Accountants**

252, Veer Savarkar Marg,  
Shivaji Park, Dadar,  
Mumbai – 400028,  
Maharashtra, India

**Book Running Lead Managers**

**ICICI Securities Limited**

ICICI Centre,  
H.T. Parekh Marg,  
Churchgate, Mumbai – 400020,  
Maharashtra, India

**India Infoline Limited**

IIFL Centre, Kamala City,  
Senapati Bapat Marg  
Lower Parel (West) Mumbai 400 013  
Maharashtra, India

**Registrar to the Issue**

**TSR Darashaw Private Limited**

6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road,  
Mahalaxmi, Mumbai 400 011,  
Maharashtra, India

**Public Issue Account Bank**

**Kotak Mahindra Bank Limited**

Transaction Banking Group  
5th Floor, Dani Corporate Park  
158, C.S.T. Road, Kalina, Santacruz (E)  
Mumbai 400 098

**Domestic Legal Counsel to the Issue**

**AZB & Partners**

Express Towers, 23<sup>rd</sup> Floor,  
Nariman Point,  
Mumbai 400 021, Maharashtra  
India

**International Legal Counsel as to non-US Selling  
Restrictions**

**Dorsey & Whitney LLP**

Level 31 Aurora Place,  
88 Phillip Street,  
Sydney NSW 2000  
Australia