LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This letter of offer ("**Letter of Offer**") is sent to you as an Equity Shareholder (as defined hereinafter) of Thomas Cook (India) Limited **("TCIL")**. If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer / the Registrar to the Offer. In case you have recently sold your Equity Shares in TCIL, please hand over the Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

FAIRBRIDGE CAPITAL (MAURITIUS) LIMITED

A private company limited by shares incorporated under the Laws of Mauritius

Regd. Office: C/o, International Finance Services Limited, IFS Court, Twenty Eight Cybercity, Ebene, Mauritius (Tel: +230-467-5037, Fax: +230-467-4000)

(hereinafter referred to as the **"Acquirer")**

ALONG WITH

FAIRFAX (BARBADOS) INTERNATIONAL CORP.

A company incorporated under the Companies Act, of the Laws of Barbados

Regd. Office: C/o, Caribbean Corporate Services Limited, Worthing Corporate Centre
Worthing, Christ Church, Barbados, WI, BB15008 (Tel: +246-424-0865, Fax: +246-424-6218)

(hereinafter referred to as **"PAC 1")**

FFHL GROUP LIMITED

A company incorporated under the Laws of Canada

Regd. Office: 95, Wellington Street West, Suite 800, Toronto, Ontario, Canada, MFJ2N7 (Tel: +416-367-4941 Fax: + 416-367-4946)

(hereinafter referred to as **"PAC 2")**

AND

FAIRFAX FINANCIAL HOLDINGS LIMITED

A public company limited by shares incorporated under the Laws of Canada

Regd. Office: 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada, M5J 2N7 (Tel: +416-367-4941 Fax: + 416-367-4946)

(hereinafter referred to as **"PAC 3"** and collectively, with PAC 1 and PAC 2, referred to as **"Persons Acting in Concert" / "PAC")**

MAKES A CASH OFFER AT ₹65.48 (Rupees Sixty Five and Paise Forty Eight only) ("Offer Price") PER FULLY PAID UP EQUITY SHARE OF ₹1 EACH ("Equity Shares") TO ACQUIRE UP TO 5,20,93,447 EQUITY SHARES REPRESENTING 24.17% OF THE PAID UP EQUITY SHARE CAPITAL OF TCIL ASSUMING FULL EXERCISE OF ELIGIBLE EMPLOYEE STOCK OPTIONS AS ON OR PRIOR TO AUGUST 8, 2012, UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED ("SEBI (SAST) Regulations") FROM THE EQUITY SHAREHOLDERS OF

THOMAS COOK (INDIA) LIMITED

A public limited company incorporated under the Companies Act, 1956

Regd. Office: Thomas Cook Building, Dr D. N. Road, Fort, Mumbai - 400 001, Maharashtra, India Tel: +91-22-6160 3333 Fax: +91-22-2287 1069/ 6609 1454,
E Mail ID: sharedept@in.thomascook.com; Website: www.thomascook.in

1. This Offer (as defined hereinafter) is made pursuant to and in compliance with the provisions of Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. This Offer is subject to (i) the receipt of approval and no-objection certificate of the Reserve Bank of India ("**RBI**") in relation to the acquisition of Equity Shares tendered pursuant to this Offer, as more particularly set out in paragraphs 6.4.1 (a) and (b) of this Letter of Offer; and (ii) the receipt of the CCI Approval (as defined hereinafter). As of the date of this Letter of Offer, both the approval and no-objection certificate of the RBI and the CCI Approval are currently awaited. For further details, please refer to paragraphs 6.4.2(a) and 6.4.2(b) of this Letter of Offer.
5. The Acquirer can revise the Offer Price or the size of the Offer up to three working days prior to the opening of the Tendering Period (as defined hereinafter), i.e. Friday, July 6, 2012. Any such upward revision or withdrawal would be informed by way of the Offer Opening Public Announcement (as defined hereinafter) in the same newspapers and editions in which the Detailed Public Statement (as defined hereinafter) had appeared. The revised price payable pursuant to such revision of the Offer Price would be payable by the Acquirer for all the Equity Shares validly tendered during the Tendering Period.
6. **There has been no competing offer as on the date of this Letter of Offer.**
7. **If there is a competing offer, the open offers under all subsisting bids will open and close on the same date.**
8. A copy of the Public Announcement (as defined hereinafter), the Detailed Public Statement and the Letter of Offer (including Form of Acceptance cum Acknowledgement) is also available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
PINC **Pioneer Money Management Limited** SEBI Regn. No. INM000011906 1218, Maker Chambers V, Nariman Point, Mumbai – 400 021 Tel : +91-22-66186633 / 6619 Fax: +91-22- 22049195, E Mail Id: ankit.c@pinc.co.in **Contact Person: Mr. Ankit Chudiwala / Mr. Navin Sharma**	**TSR Darashaw Limited** SEBI Regn. No. INR 000004009 6-10, Haji Moosa Patrawala Industrial Estate, Nr. Famous Studio, 20, Dr E Moses Road, Mahalaxmi, Mumbai - 400 011 Tel: +91-22-66568484 Extn.: 411/412/413 Fax: +91-22-66568494 Email id: csg-unit@tsrdarashaw.com **Contact Person: Ms. Mary George**

OPEN OFFER OPENS ON : Thursday, July 12, 2012	**OPEN OFFER CLOSES ON : Wednesday, July 25, 2012**

The Schedule of activities under this Offer is as follows:

Activity	Original Dates	Revised Dates
Date of Public Announcement (PA)	Monday May 21, 2012	**Monday May 21, 2012**
Date of Detailed Public Statement (DPS)	Monday, May 28, 2012	**Monday, May 28, 2012**
Date of filing the draft letter of offer with SEBI	Monday, June 04, 2012	**Monday, June 04, 2012**
Last date for a competitive bid	Monday, June 18, 2012	**Monday, June 18, 2012**
Date of receipt of SEBI observations on the Draft Letter of Offer	Monday, June 25, 2012	**Tuesday, June 26, 2012**
Identified Date*	Wednesday, June 27, 2012	**Thursday, June 28, 2012**
Letter of Offer to be dispatched to Equity Shareholders	Wednesday, July 4, 2012	**Thursday, July 5, 2012**
Last date for revising the Offer Price/ Size of the Offer	Thursday, July 5, 2012	**Friday, July 6, 2012**
Last date by which the committee of the independent directors of TCIL shall give its recommendation	Monday, July 9, 2012	**Tuesday, July 10, 2012**
Date of publication of Offer Opening Public Announcement	Tuesday, July 10, 2012	**Wednesday, July 11, 2012**
Date of commencement of Tendering Period (Offer Opening Date)	Wednesday, July 11, 2012	**Thursday, July 12, 2012**
Date of closure of Tendering Period (Offer Closing Date)	Tuesday, July 24, 2012	**Wednesday, July 25, 2012**
Last date of communicating rejection/ acceptance and payment of consideration for applications accepted/ return of unaccepted Share Certificates/credit of unaccepted Equity Shares to demat account	Tuesday, August 7, 2012	**Wednesday, August 8, 2012**
Last Date of publication of Offer Closing Public Announcement	Tuesday, August 14, 2012	**Thursday, August 16, 2012**
Last date for submission of the final report with SEBI	Tuesday, August 14, 2012	**Thursday, August 16, 2012**

*The Identified Date is only for the purpose of determining the Equity Shareholders as on such date to whom the Letter of Offer would be mailed. It is clarified that all the Equity Shareholders of TCIL (registered or unregistered), except the Acquirer, PAC and promoter group shareholders of TCIL, are eligible to participate in this Offer at any time prior to the closure of this Offer.

RISK FACTORS

Given below are the risk factors relating to the transaction, the Offer and the probable risks involved in associating with the Acquirer. For capitalized terms used herein please refer to the Definitions set out on page no. 4 of this Letter of Offer.

A. Risk factors relating to the transaction

1. The consummation of the acquisition of the Sale Shares by the Acquirer, as envisaged under the SPA, is subject to satisfaction of all the conditions of the SPA and receipt of the approval of the CCI for the acquisition of the Sale Shares under the SPA on or prior to August 22, 2012, as more particularly set out in paragraph 2.1.3(h)(iv) of this Letter of Offer. As of the date of this Letter of Offer, all the conditions of the SPA have not been satisfied. Furthermore, the approval of the CCI for the acquisition of the Sale Shares is currently awaited. For further details in relation to the status of satisfaction of the conditions of the SPA and the approval of the CCI for the acquisition of the Sale Shares under the SPA, please refer to paragraphs 2.1.3(i) and 6.4.2(b), respectively, of this Letter of Offer.

B. Risk factors relating to the Offer

1. This Offer is subject to (i) the receipt of the approval and no-objection certificate of the RBI in relation to the acquisition of Equity Shares tendered pursuant to this Offer, as more particularly set out in paragraphs 6.4.1 (a) and (b) of this Letter of Offer; and (ii) the receipt of the CCI Approval. As of the date of this Letter of Offer, both the approval and no-objection certificate of the RBI and the CCI Approval are currently awaited. For further details, please refer to paragraphs 6.4.2(a) and 6.4.2(b) of this Letter of Offer.

2. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approval or no-objection certificate of the RBI is refused, or the CCI Approval is not received or is refused, or if the sale and purchase of the Sale Shares, pursuant to the SPA, is not consummated because any of the conditions (as mentioned in paragraph 2.1.3 (h) below), as stated in the SPA (all of which are outside the reasonable control of the Acquirer), are not met with within the time specified in the SPA, this Offer shall stand withdrawn. Furthermore, if, at a later date, any other statutory approvals are required, this Offer would become subject to receipt of such other statutory approvals.

   In addition to the above, this Offer shall stand withdrawn in the event of a binding order of a court or governmental authority of competent jurisdiction directing the withdrawal of this Offer.

   As of the date of this Letter of Offer, both the approval and no-objection certificate of the RBI and the CCI Approval are currently awaited. Furthermore, all the conditions of the SPA have not been satisfied. For further details in relation to the approval and no-objection certificate of the RBI, the CCI Approval and the status of satisfaction of the conditions of the SPA, please refer to paragraphs 6.4.2(a), 6.4.2(b) and 2.1.3(i), respectively, of this Letter of Offer.

3. Equity Shareholders tendering their Equity Shares in this Offer will be doing so prior to receipt of consideration in relation to such tendered Equity Shares as the Acquirer has up to 10 working days from the date of closure of the Tendering Period to pay the consideration to the Equity Shareholders whose Equity Shares are accepted in this Offer. Furthermore, the Acquirer will, subject to its right to withdraw this Offer, pay the consideration to the Equity Shareholders whose Equity Shares are accepted in this Offer only after obtaining the CCI Approval and satisfaction of the conditions of the SPA (as mentioned in paragraph 2.1.3 (h) below) on or prior to August 22, 2012, pursuant to which the sale and purchase of the Sale Shares is consummated. In relation to NRI Equity Shareholders and resident Indian Equity Shareholders, the Acquirer will, subject to its right to withdraw this Offer, pay the relevant consideration after: (i) obtaining the approval or no-objection certificate of the RBI, respectively; (ii) obtaining the CCI Approval; and (iii) satisfaction of the conditions of the SPA (as mentioned in paragraph 2.1.3 (h) below) on or prior to August 22, 2012, pursuant to which the sale and purchase of the Sale Shares is consummated.

4. The tendered Equity Shares will lie to the credit of a designated escrow depository account and the documents relating to the tendered Equity Shares would be held in trust by the Registrar to the Offer, till the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares and the Equity Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer, thereby restricting the ability of such Equity Shareholders to take advantage of any favourable price movements. Accordingly, the Acquirer and the PAC make no assurance with respect to the market price of the Equity Shares before, during or upon completion of this Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Equity Shareholders on whether or not to participate in this Offer.

5. Equity Shares, once tendered through the Form of Acceptance-cum-Acknowledgement in the Offer, cannot be withdrawn by the Equity Shareholders during the Tendering Period.

6. In the event that (a) the approval or no-objection certificate of the RBI is not received in a timely manner; (b) the CCI Approval is not received or is refused; (c) there is any litigation leading to a stay on this Offer or related to this Offer by a court of competent jurisdiction; or (d) SEBI or a court or governmental authority of competent jurisdiction directs the Acquirer and the PAC not to proceed with this Offer, this Offer may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Equity Shareholders, whose Equity Shares are accepted in this Offer, may be delayed. As of the date of this Letter of Offer, both the approval and no-objection certificate of the RBI and the CCI Approval are currently awaited. For further details, please refer to paragraphs 6.4.2(a) and 6.4.2(b) of this Letter of Offer.

7. In case of any delay in receipt of the approval or no-objection certificate of the RBI or the CCI Approval or any other statutory approvals which may be required at a later date in relation to this Offer, SEBI has the power to grant extension of time for the purpose of making payment of the consideration to the Equity Shareholders, whose Equity Shares are accepted in this Offer in terms of Regulation 18(11) of the SEBI (SAST) Regulations. As of the date of this Letter of Offer, both the approval and no-objection certificate of the RBI and the CCI Approval are currently awaited. For further details, please refer to paragraphs 6.4.2(a) and 6.4.2(b) of this Letter of Offer.
8. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for statements made otherwise than in the Letter of Offer or the Public Announcement or the DPS and anyone placing reliance on any other source of information (not released by the Acquirer, the PAC, or the Manager to the Offer) would be doing so at his/her/their own risk.

C. Probable risks involved in associating with the Acquirer and the PAC

1. The Acquirer and the PAC make no assurance with respect to the financial performance of TCIL nor do they make any assurance with respect to the market price of the Equity Shares upon the completion of this Offer. Each of the Acquirer and the PAC disclaim any responsibility with respect to any decision by the Equity Shareholders on whether or not to participate in this Offer.
2. The Acquirer and the PAC make no assurance with respect to their investment / disinvestment relating to their proposed shareholding in TCIL.
3. The acquisition of 24.17% of the paid up equity share capital of TCIL pursuant to this Offer, together with the Sale Shares being acquired pursuant to the SPA, will result in the public shareholding in TCIL falling below the level required for continued listing. While the Acquirer and/or the TCIL is required to bring down the non-public shareholding to the level specified in the Securities Contract (Regulation) Rules, 1957, as amended ("**SCRR**") and although the Acquirer has undertaken to comply with such public shareholding requirements within one year from the date of closure of the Offer or such longer period as may be prescribed under the SCRR and / or the Listing Agreement, any failure to comply with the conditions of the SCRR and / or the Listing Agreement could have an adverse effect on the price and tradability of the Equity Shares.

The risk factors set forth above pertain to this Offer and are not in relation to the present or future business operations of TCIL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by an Equity Shareholder in this Offer. The Equity Shareholders are advised to consult their stockbrokers or investment consultants, if any, for analyzing all the risks with respect to their participation in this Offer.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "Rs."/"INR"/ "₹" are to Indian Rupee(s), the official currency of India, and all references to "USD"/"US$"/"US Dollar" are to United States Dollars, the official currency of the United States of America. Throughout this Letter of Offer, all figures have been expressed in "million, thousand or lakh" unless otherwise specifically stated. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

All the data presented in US Dollar in this Letter of Offer has been converted into INR by adopting a translation (convenience translation) of such data into Indian Rupees. The conversion has been assumed at the following rate as on May 21, 2012, being the date of the PA (unless otherwise stated in this Letter of Offer):

1 US DOLLAR = 54.681 INR

(Source: Reserve Bank of India – www.rbi.org.in).

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DEFINITIONS/ABBREVIATIONS

S No.	Particulars	Details / Definition
1.	Acquirer	Fairbridge Capital (Mauritius) Limited, a private company limited by shares incorporated under the Laws of Mauritius and having its registered office at C/o, International Finance Services Limited, IFS Court, TwentyEight Cybercity, Ebene, Mauritius
2.	Beneficial Owner	Beneficial owners of the Equity Shares, whose names appeared as beneficiaries on the records of their respective DP at the close of business hours on the Identified Date or at any time before the closure of the Tendering Period
3.	BSE	BSE Limited
4.	CCI	Competition Commission of India
5.	CCI Approval	The receipt of the approval of the CCI, on or prior to August 22, 2012, for the acquisition of the Sale Shares under the SPA and the acquisition of the Equity Shares pursuant to this Offer
6.	CDSL	Central Depository Services (India) Limited
7.	CGAAP	Canadian Generally Accepted Accounting Principles
8.	DPS/Detailed Public Statement	The Detailed Public Statement, published on behalf of the Acquirer and the PAC in the Newspapers on Monday, May 28, 2012
9.	DP	Depository Participant
10.	Draft Letter of Offer	The draft letter of offer filed with SEBI pursuant to Regulation 16(1) of the SEBI SAST Regulations
11.	EPS	Earnings Per Equity Share, for the period under reference and annualized
12.	Equity Shareholders	The equity shareholders of TCIL, other than the Acquirer, PAC and the promoter group shareholders of the Target Company
13.	Equity Shares	Fully paid up equity shares of TCIL having a face value of ₹ 1 each
14.	FII	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended, registered with SEBI under applicable laws in India
15.	FY	Financial Year
16.	Identified Date	Thursday, June 28, 2012, i.e. the date falling on the 10th Working Day prior to the commencement of Tendering Period, for the purposes of determining the Equity Shareholders to whom the Letter of Offer shall be sent
17.	IFRS	International Financial Reporting Standards
18.	Income Tax Act	The Income Tax Act, 1961, as amended
19.	Indian GAAP	GAAP as applicable to Indian companies
20.	IP NewCo	The entity to which all the relevant trademarks, trade names, domain names and other relevant brands in relation to the business of TCIL and its subsidiaries have been transferred
21.	Letter of Offer	This Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement
22.	Listing Agreement	Listing Agreement with the stock exchanges in India, as amended from time to time
23.	Merchant Banker/ Manager to the Offer	Pioneer Money Management Limited
24.	NAV	Net Asset Value per Equity Share
25.	NEFT	National Electronic Funds Transfer
26.	NSDL	National Securities Depository Limited
27.	NRIs	Non Resident Indians and persons of Indian origin residing abroad
28.	NSE	National Stock Exchange of India Limited
29.	OCBs	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
30.	Offer	Open offer being made by the Acquirer to the Equity Shareholders of the Target Company, to acquire up to 5,20,93,447 Equity Shares at a price of ₹65.48 (Rupees Sixty Five and Paise Forty Eight Only) per Equity Share
31.	Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period made on behalf of the Acquirer and PAC on or before Wednesday, July 11, 2012
32.	PA/Public Announcement	Announcement of the Offer made on behalf of the Acquirer and PAC, to the Stock Exchanges, SEBI and the Target Company on May 21, 2012
33.	PAC	PAC refers to Persons Acting in Concert along with the Acquirer as defined in the SEBI (SAST) Regulations, being PAC 1, PAC 2 and PAC 3

S No.	Particulars	Details / Definition
34.	PAC 1	Fairbridge (Barbados) International Corp., a Company incorporated under the laws of Barbados, being a Person Acting in Concert with the Acquirer for the purpose of the Offer
35.	PAC 2	FFHL Group Limited, a Company incorporated under the laws of Canada, being a Person Acting in Concert with the Acquirer for the purpose of the Offer
36.	PAC 3	Fairfax Financial Holding Limited, a Public Limited Company incorporated under the laws of Canada, being a Person Acting in Concert with the Acquirer for the purpose of the Offer
37.	RBI	Reserve Bank of India
38.	Registrar to the Offer	TSR Darashaw Limited
39.	Regulations/ Takeover Regulations/ SEBI(SAST) Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011
40.	RoNW	Return on Net Worth
41.	Sale Shares	16,34,71,449 fully paid up equity shares of TCIL, proposed to be acquired by the Acquirer from the Sellers pursuant to the SPA
42.	SCRR	Securities Contract (Regulations) Rules, 1957, as amended
43.	SEBI	Securities and Exchange Board of India
44.	SEBI Act	SEBI Act, 1992, as amended
45.	Sellers	Collectively, Seller 1 and Seller 2
46.	Seller 1	Thomas Cook UK Limited, a Company incorporated in the United Kingdom representing the promoters / promoter group of the Target Company
47.	Seller 2	TCIM Limited, a Company incorporated in the United Kingdom representing the promoters / promoter group of the Target Company
48.	SPA	Agreement for Sale and Purchase of Shares, dated May 21, 2012, entered into amongst the Acquirer, Sellers, PAC 3 and Thomas Cook Group plc
49.	Special Depository Account	The special depository account opened by the Registrar to the Offer with NSDL for receiving Equity Shares tendered during the Offer
50.	Target Company/ TCIL	Thomas Cook (India) Limited, a public limited company incorporated under the Companies Act having its registered office at Thomas Cook Building, Dr D. N. Road, Fort, Mumbai - 400 001, Maharashtra, India
51.	Tendering Period	July 12, 2012 to July 25, 2012
52.	USD	US Dollar
53.	Working Day	Working days of SEBI

Note: All terms beginning with a capital letter used in this Letter of Offer, and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations.

1 DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF TCIL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS, PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER, PIONEER MONEY MANAGEMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 04, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

2 DETAILS OF THIS OFFER

2.1 Background of this Offer:

2.1.1 This Offer is a mandatory offer, being made by the Acquirer and the PAC to the Equity Shareholders, in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations. This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations and is being made as a result of an agreement for a direct substantial acquisition of Equity Shares and voting rights, accompanied with a change in control of the Target Company, pursuant to the SPA.

2.1.2 The Acquirer and PAC 3 entered into an SPA on May 21, 2012 with the Sellers and Thomas Cook Group plc for acquiring 16,34,71,449 Equity Shares of the Target Company constituting 76.81% of the paid up share capital of the Company at a negotiated price of ₹50/- per Equity Share. Neither the Acquirer nor the PAC hold any Equity Shares in the Target Company as on the date of this Letter of Offer.

2.1.3 As per the SPA, the Acquirer proposes to purchase (a) 4,53,46,449 Equity Shares from Seller 1, *i.e.* Thomas Cook UK Limited, having its registered office at The Thomas Cook Business Park, Coningsby Road, Peterborough PE3 8SB, UK, constituting 21.31% of the fully paid up equity share capital of TCIL, and (b) 11,81,25,000 Equity Shares from Seller 2, *i.e.* TCIM Limited with its registered office at The Thomas Cook Business Park, Coningsby Road, Peterborough PE3 8SB UK, constituting 55.50% of the fully paid up equity share capital of TCIL. The acquisition of the Sale Shares by the Acquirer is subject to certain conditions as provided in the SPA. The acquisition of the Sale Shares will result in a change in control of the Target Company.

The salient features of the SPA are as follows:

a) The Acquirer has agreed to acquire the Sale Shares from Seller 1 and Seller 2 at a price of ₹ 50 (Rupees Fifty only) per Sale Share payable in cash.

b) The sale and purchase of the Sale Shares, as envisaged in the SPA, is conditional on the fulfillment of all the conditions of the SPA as set out in paragraph 2.1.3 (h) below.

c) The Sellers have caused TCIL to notify the RBI of the execution of the SPA, the proposed transfer of the Sale Shares, the consequent change in control of TCIL and the potential acquisition by the Acquirer of additional equity shares pursuant to this Offer.

d) A brand license agreement will be entered into amongst IP NewCo, Seller 1 and TCIL, which gives TCIL the license, as per the agreed terms, to use and sub-license the relevant brands for its business and within the geographical limits of the territories where TCIL carries on such business.

e) The SPA contains certain non-compete provisions whereby Seller 1, Seller 2 and Thomas Cook Group plc have agreed, subject to certain exceptions, not to directly or indirectly undertake the travel business or the financial services and foreign exchange business as carried on by TCIL and its subsidiaries as of the date of the SPA for a period of three years after the completion date under the SPA ("**Non Compete Period**") within the geographical limits of India, Sri Lanka, Mauritius, Singapore and Thailand. It is clarified that no separate consideration is being paid for this non-compete obligation of Seller 1, Seller 2 and Thomas Cook Group plc. Seller 1, Seller 2 and Thomas Cook Group plc have also undertaken that until the expiry of the Non Compete Period, they shall not solicit any employee, customer or vendor of TCIL and its subsidiaries.

f) The obligations of the Acquirer under the SPA, including the payment of all amounts payable by the Acquirer, have been guaranteed by PAC 3, Fairfax Financial Holdings Limited.

g) The obligations of Seller 1 and Seller 2 under the SPA, including the payment of all amounts payable by Seller 1 or Seller 2, have been guaranteed by Thomas Cook Group plc.

h) The consummation of the acquisition of the Sale Shares by the Acquirer, as envisaged in the SPA, is subject to the following conditions of the SPA on or prior to August 22, 2012:

   i. the expiration of 21 working days, pursuant to Regulation 22(2) of the SEBI (SAST) Regulations, from the date of the Detailed Public Statement;

   ii. no party to the SPA having received a notice from the RBI stating that the sale and purchase of the Sale Shares, pursuant to the SPA, should not be proceeded with or consummated, or imposing any terms in relation to the transaction contemplated by the SPA, which has a prejudicial effect on the Acquirer or the Target Company and its subsidiaries;

   iii. the passing at a duly convened general meeting of Thomas Cook Group plc of such resolution(s) as may be required to approve, implement or effect the transaction contemplated by the SPA, including (without limitation) any approval required pursuant to LR 10.5.1(2) of the UK Listing Rules;

   iv. the CCI having approved the acquisition of the Sale Shares by the Acquirer;

   v. (i) completion of all actions required to release any encumbrances over the Sale Shares; (ii) the full and final release of all such encumbrances in respect of the Sale Shares; and (iii) the filing of notifications pursuant to Regulation 31(2) of the SEBI (SAST) Regulations by Seller 1 and Seller 2 in relation to such release;

vi. the execution of a brand license agreement between IP NewCo, Seller 1 and TCIL, prior to the date of completion; and

vii. the creation of a charge over (i) the shares comprising the entire issued share capital of IP NewCo; and (ii) the intellectual property rights owned by IP NewCo, in favour of TCIL.

i) As of the date of this Letter of Offer, the following conditions of the SPA are yet to be satisfied:

i. the passing at a duly convened general meeting of Thomas Cook Group plc of such resolution(s) as may be required to approve, implement or effect the transaction contemplated by the SPA, including (without limitation) any approval required pursuant to LR 10.5.1(2) of the UK Listing Rules;

ii. the CCI having approved the acquisition of the Sale Shares by the Acquirer;

iii. (i) completion of all actions required to release any encumbrances over the Sale Shares; (ii) the full and final release of all such encumbrances in respect of the Sale Shares; and (iii) the filing of notifications pursuant to Regulation 31(2) of the SEBI (SAST) Regulations by Seller 1 and Seller 2 in relation to such release;

iv. the execution of a brand license agreement between IP NewCo, Seller 1 and TCIL, prior to the date of completion; and

v. the creation of a charge over (i) the shares comprising the entire issued share capital of IP NewCo; and (ii) the intellectual property rights owned by IP NewCo, in favour of TCIL.

2.1.4 In accordance with Regulation 22(2) of the SEBI (SAST) Regulations, the Acquirer intends to complete the acquisition of the Sale Shares, as contemplated under the SPA, as soon as the conditions stipulated in the SPA are satisfied.

In accordance with Regulation 22(3) of the SEBI (SAST) Regulations, the Acquirer shall complete the acquisitions contemplated under the SPA, attracting the obligation to make this Offer by not later than twenty-six weeks from the date of closure of the Offer, subject to satisfaction of the conditions of the SPA, as set out in paragraph 2.1.3(h) above.

However, in the event of any extraordinary and supervening circumstances rendering it impossible to complete such acquisition within such period, SEBI may, for reasons to be published, grant an extension of time by such period as it may deem fit in the interests of investors in securities and the securities market.

2.1.5 There is no arrangement between the Acquirer and the PAC with regard to this Offer/acquisition of the Equity Shares. The PAC will not acquire any Equity Shares being tendered and accepted in this Offer. All the Equity Shares validly tendered and accepted in this Offer and pursuant to the SPA will be acquired by the Acquirer only.

2.1.6 After the completion of this Offer and pursuant to the acquisition of Equity Shares under the SPA, the Acquirer shall hold the majority of the Equity Shares by virtue of which it shall be in a position to exercise effective control over the management and affairs of the Target Company and shall consequently replace the Sellers as the promoter of the Target Company.

2.1.7 The Acquirer and the PAC have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, or under any of the regulations made under the SEBI Act.

2.1.8 Upon the consummation of the acquisition of the Sale Shares by the Acquirer, as envisaged under the SPA, the Acquirer intends to take control over the Target Company.

2.1.9 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required to constitute a committee of independent directors to provide their reasoned recommendations on the Offer. These reasoned recommendations are required to be published in the same newspapers and editions which carried the Detailed Public Statement, no later than by Tuesday, July 10, 2012, prior to commencement of the Tendering Period.

2.2 **Details of the proposed Offer**

2.2.1 The details pertaining to the publication of the Detailed Public Statement in Newspapers is given below:

Newspaper	Language	Editions	Date of DPS
Financial Express	English	Ahmadabad, Bangalore, Chennai, Chandigarh, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi and Pune	Monday, May 28, 2012
Jansatta	Hindi	Delhi, Chandigarh, Kolkata & Lucknow	Monday, May 28, 2012
Navshakti	Marathi	Mumbai	Monday, May 28, 2012

The Public Announcement and the Detailed Public Statement are also available at SEBI's website: www.sebi.gov.in.

2.2.2 Pursuant to the Offer, the Acquirer will acquire up to 5,20,93,447 Equity Shares of the Target Company constituting 24.17% of the paid up equity share capital of the Target Company assuming full exercise of eligible stock options as on or prior to August 8, 2012, under the SEBI (SAST) Regulations at a price of ₹ 65.48 (Rupees Sixty Five and Paise Forty Eight Only) per Equity Share in cash, free from all lien, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof. For further details in relation to the Offer Size, please refer to paragraph 4.9 of this Letter of Offer.

2.2.3 There are no partly paid up Equity Shares in the share capital of the Target Company.

2.2.4 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

2.2.5 This Offer is not subject to any minimum level of acceptance. Further there is no differential pricing for this Offer. All Equity Shares validly tendered by the Equity Shareholders will be accepted at the Offer Price by the Acquirer in accordance with the terms and conditions contained in the PA, DPS and the Letter of Offer.

2.3 Object of the acquisition / Offer

2.3.1 The Acquirer believes that the Target Company presents a good investment platform because of its attractive travel and foreign exchange businesses backed by a trusted brand name and stable & motivated professional management team. The Acquirer is committed to continue to run the existing businesses and to grow the same in the long term through organic or inorganic opportunities and by leveraging on the Acquirer's resources.

2.3.2 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer does not currently have any intention to alienate, restructure, dispose off or otherwise encumber any assets of TCIL or any of its subsidiaries in the succeeding two years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by TCIL. Notwithstanding anything contained herein and except with the prior approval of the shareholders of TCIL through a special resolution, passed by way of postal ballot, the Acquirer undertakes that it will not restructure, sell, lease, dispose off or otherwise encumber any substantial assets of TCIL or any of its subsidiaries other than in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by TCIL.

3 BACKGROUND OF THE ACQUIRER AND PAC

3.1 FAIRBRIDGE CAPITAL (MAURITIUS) LIMITED (ACQUIRER)

3.1.1 The Acquirer, Fairbridge Capital (Mauritius) Limited, is a private company limited by shares, incorporated on July 27, 2011 under the Companies Act, 2001 of the Republic of Mauritius as a Global Business Company and holds a Category 1 Global Business License from the Financial Services Commission, Mauritius. The registered office of the Acquirer is located at C/o International Financial Service Limited, IFS Court, Twenty Eight Cybercity, Ebene, Mauritius.

3.1.2 The Acquirer has been promoted by and is a wholly owned subsidiary of Fairfax (Barbados) International Corp. (PAC 1), which is a wholly owned subsidiary of FFHL Group Limited (PAC 2) and which in turn is a wholly owned subsidiary of Fairfax Financial Holdings Limited (PAC 3).

3.1.3 The Acquirer is a holding company that takes a long-term value approach towards acquisitions and investments underpinned by the guiding principles, including integrity, transparency and responsiveness in all its dealings. The Acquirer is an indirect wholly-owned subsidiary of Fairfax Financial Holdings Limited (PAC 3), a Toronto-based financial services holding company with a global presence in insurance and reinsurance and a portfolio of assets in excess of USD 30 billion invested worldwide.

3.1.4 The Acquirer has been promoted by, and is a wholly owned subsidiary of Fairfax (Barbados) International Corp. (PAC 1) and belongs to the Fairfax Group.

3.1.5 The Acquirer has two subsidiaries, Fairbridge Investments (Mauritius) Limited and Fairbridge Capital Private Limited. Fairbridge Investments (Mauritius) Limited is a private company limited by shares incorporated under the Companies Act, 2001 of the Republic of Mauritius as a Global Business Company and holds a Category 1 Global Business License from the Financial Services Commission, Mauritius. Fairbridge Capital Private Limited (CIN: U67190MH2011PTC219284) is incorporated as a Private Limited Company, under the Companies Act, with the Registrar of Companies, Mumbai, Maharashtra.

3.1.6 The Acquirer does not hold any shares in TCIL. Hence the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or Chapter V of the SEBI (SAST) Regulations are not applicable.

3.1.7 The shareholding pattern of the Acquirer is as under:

Name of the Shareholder	Number of Shares	% age of Shareholding
Promoter - Fairfax (Barbados) International Corp.	1,589,999	100%
Total	**1,589,999**	**100%**

3.1.8 The details of the Directors of the Acquirer are as follows. None of the Directors of the Acquirer are on the Board of Directors of the Target Company:

Name	Date of appointment	Qualification	Experience
Mr. Kapildeo Joory (DIN: 01564652)	July 27, 2011	Fellow Member of the Institute of Chartered Accountants in England and Wales and Associate Member of the Society of Trust and Estate Practitioners.	Mr. Joory has 20 years of experience in international tax planning and business structuring including specialization in the fields of international banking and financial services.

Name	Date of appointment	Qualification	Experience
Mr. Couldiplall Basanta Lala (DIN: 01332563)	July 27, 2011	Fellow Member of the Institute of Chartered Accountants in England and Wales.	Mr. Lala is a Corporate Affairs Consultant and Advisor with specialization in the areas of structuring of international private equity and hedge funds.
Mr. Chandran Ratnaswami (DIN:00109215)	July 27, 2011	Bachelor's Degree in Civil Engineering from IIT Madras (India) and an MBA from University of Toronto, Canada.	Mr. Ratnaswami is presently the Managing Director of Hamblin Watsa Investment Counsel Ltd. Previously he was the owner/ president of an industrial distribution company and a senior executive at a large multinational consumer packaged food company.

3.1.9 The brief standalone financials of the Acquirer, which have been subjected to limited review by Grant Thornton, Chartered Accountants, from the date of incorporation of the Acquirer to April 30, 2012, are as under:

(In Million except for EPS)

	As on and for the period ended April 30, 2012	
Particulars	**In USD**	**In ₹**
Profit & Loss Statement		
Income from Operations	0.00	0.00
Other Income	0.00	0.00
Total Income	**0.00**	**0.00**
Total Expenditure	0.75	41.01
Profit/(Loss) Before Depreciation Interest and Tax	(0.75)	(41.01)
Depreciation	0.00	0.00
Interest Expense/(Income)	0.00	0.00
Profit/(Loss) Before Tax	(0.75)	(41.01)
Provision for Taxation	0.00	0.00
Profit/(Loss) After Tax	**(0.75)**	**(41.01)**
Balance Sheet Statement		
Sources of Funds		
Paid Up Equity Share Capital	1.59	86.94
Reserves and Surplus (Excluding Revaluation Reserves)	(0.75)	(41.01)
Net worth	**0.84**	**45.93**
Secured Loans	0.00	0.00
Unsecured Loans	0.00	0.00
Other Non Current Liabilities	0.00	0.00
Total	**0.84**	**45.93**
Uses of Funds		
Net Fixed Assets	0.00	0.00
Investments(At Cost)	0.54	29.53
Other Non- Current Assets	0.00	0.00
Net Current Assets (Liabilities)	0.30	16.40
Total	**0.84**	**45.93**
Other Financial Data		
Dividend (%)	0.00	0.00
Earnings Per Share	(0.47)	(25.70)

Note: Since the financials of the Acquirer are presented in USD we have adopted a translation (convenience translation) of such financials into Indian Rupees. The USD to Indian Rupee conversion has been assumed at the rate of 1 USD = 54.681 Rupees as on May 21, 2012, the date of the Public Announcement (Source: RBI).

3.1.10 The Acquirer has no major contingent liabilities as on April 30, 2012.

3.1.11 The Acquirer has adequate resources to meet the funds requirements/obligations under this Offer. The funds required in relation to the Offer have been met from the Acquirer's owned funds and / or funds received from its holding company, PAC 1.

3.1.12 The shares of the Acquirer are not listed on any stock exchange.

3.2 **FAIRFAX (BARBADOS) INTERNATIONAL CORP. (PAC 1)**

3.2.1 PAC 1, Fairfax (Barbados) International Corp., was incorporated as Fairfax (Barbados) Insurance Corp. as an exempt insurance company under the Companies Act, Chapter 308 of the Laws of Barbados. PAC 1 was licensed as an International Business Company under the International Business Companies Act, 1991 - 24 and changed its name to Fairfax (Barbados) International Corp. by amending its Articles of Association on August 24, 2006. The registered office of PAC 1 is located at C/o Caribbean Corporate Services Limited Worthing Corporate Centre Worthing, Christ Church, Barbados, WI, BB15008.

3.2.2 PAC 1 is the holding Company of the Acquirer, and has been promoted by and is a wholly owned subsidiary of FFHL Group Limited (PAC 2) which is a wholly owned subsidiary of Fairfax Financial Holdings Limited (PAC 3).

3.2.3 PAC 1 operates as an investment company, whereby it holds investments in other companies of the Fairfax Group, on behalf of its sole shareholder, FFHL Group Limited.

3.2.4 PAC 1 has been promoted by, and is a wholly owned subsidiary of FFHL Group Limited (PAC 2) and belongs to the Fairfax Group.

3.2.5 PAC 1 does not hold any shares in TCIL. Hence the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or Chapter V of the SEBI (SAST) Regulations are not applicable.

3.2.6 The shareholding pattern of PAC 1 is as under:

Name of the Shareholder	**Common Shares**	
	Number of Shares	**% age of Shareholding**
Promoter - FFHL Group Limited	764,768	100%
Total	764,768	100%

3.2.7 The details of the Directors of PAC 1 are as follows and none of them are on the Board of Directors of the Target Company:

Name	Date of appointment	Qualification	Experience
Mr. William Peter A. Douglas	January 01, 2008	Member of the Institute of Chartered Accountants of Barbados (1985) and Ontario (1979), BA (Hons) in Business Administration.	Mr. Douglas is a finance professional with extensive experience in numerous regional and international businesses with expertise on Corporate Governance Issues. He is currently General Manager at Ezenta Global Inc. (Barbados).
Mr. Alister Campbell CBE	January 01, 2008	Associate of the Chartered Insurance Institute England (ACII), LLB Barbados (UWI), M.Sc. (University of Manitoba), B.Sc. London (UCWI).	Mr. Campbell has 29 years of experience in the insurance industry as a Broker and Insurance Manager at Barclays Financial Corporation and later as Director and CEO of the Insurance Association of Caribbean.
Ms. Lisl Lewis	September 14, 2011	Chartered Accountant from Barbados, Bachelor of Engineering (Hons) degree in Aeronautics and Astronautics from Southampton University, England and a Fellow of the Institute of Chartered Accountants of England and Wales.	Ms. Lewis has 21 years of experience in the finance industry. She has been the CEO of Southwold Bank & Trust Ltd. since 2008. Previously she was with CXE International Bank Ltd where she had joined as a Vice President in 2003, and had advanced to the position of President & Chief Executive Officer in 2004.
Mr. Ronald Schokking	May 19,1999	Registered Industrial Accountant degree from Wilfrid Lauier University, Member of Canadian Insurance Accountants Association and Society of Management Accountants of Ontario.	Mr. Schokking has been a member of the Fairfax Team for 23 years. He currently holds the position of Vice President and Treasurer, a position he has held since 2006. Prior to that he was the Vice President of Finance. In addition, Mr. Schokking holds various directorship positions.
Mr. Jean Cloutier	January 01, 2008	Bachelor's degree in actuarial sciences from Laval University. Fellow of the Casualty Actuarial Society and a member of the Canadian Institute of Actuaries.	Mr. Cloutier was a Vice President Actuarial Services of Lombard Canada Limited, a Canadian property and casualty insurance company from 1990-1999. From 1987-1990, Mr. Cloutier was an actuarial analyst at Halifax Insurance and from 1986-1987, he was an actuarial assistant at Dominion of Canada, Insurance Company.

3.2.8 The brief standalone audited financial details of PAC 1 for the last three years are as under:

(In Million except for EPS)

	As per IFRS				As per CGAAP	
	As on and for the year ended December 31, 2011		As on and for the year ended December 31, 2010		As on and for the year ended December 31, 2009	
Particulars	**In USD**	**In ₹**	**In USD**	**In ₹**	**In USD**	**In ₹**
Profit & Loss Statement						
Income from Operations	86.79	4,745.76	258.18	14,117.54	(0.69)	(37.73)
Other Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	**86.79**	**4,745.76**	**258.18**	**14,117.54**	**(0.69)**	**(37.73)**
Total Expenditure	1.62	88.58	1.09	59.60	0.57	31.17
Profit/(Loss) Before Depreciation Interest and Tax	85.17	4,657.18	257.09	14,057.94	(1.26)	(68.90)
Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest Expense/(Income)	58.35	3,190.64	27.19	1,486.78	(0.02)	(1.09)
Profit Before Tax	26.82	1,466.54	229.90	12,571.16	(1.24)	(67.80)
Provision for Tax	0.00	0.00	0.00	0.00	0.00	0.00
Profit After Tax/(Loss)	26.82	1,466.54	229.90	12,571.16	(1.24)	(67.80)
Balance Sheet Statement						
Sources of Funds						
Paid Up Equity Share Capital	834.24	45,617.08	919.24	50,264.96	1,655.07	90,500.88
Reserves and Surplus (Excluding Revaluation Reserves)	285.02	15,585.18	258.20	14,118.63	(196.70)	(10,755.75)
Net worth	**1,119.26**	**61,202.26**	**1,177.44**	**64,383.60**	**1,458.37**	**79,745.13**
Secured Loans	0.00	0.00	0.00	0.00	0.00	0.00
Unsecured Loans	0.00	0.00	0.00	0.00	0.00	0.00
Other Non Current Liabilities	698.54	38,196.87	669.42	36,604.56	3.44	188.10
Total	**1,817.80**	**99,399.12**	**1,846.86**	**100,988.15**	**1,461.81**	**79,933.23**
Uses of Funds						
Net Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
Investments(At Cost)	1,794.68	98,134.90	1,838.29	100,519.54	1,290.18	70,548.33
Net Current Assets	23.12	1,264.22	8.57	468.62	171.63	9,384.90
Total	**1,817.80**	**99,399.12**	**1,846.86**	**100,988.15**	**1,461.81**	**79,933.23**
Other Financial Data						
Dividend %	NA	NA	NA	NA	1458%	1458%
Earnings Per Share	35.07	1,917.66	300.61	16,437.66	(1.62)	(88.58)

Note: Since the financials of PAC 1 are presented in USD, we have adopted a translation (convenience translation) of such financials into Indian Rupees. The USD to Indian Rupee conversion has been assumed at the rate of 1 USD = 54.681 Rupees as on May 21, 2012, the date of the Public Announcement (Source: RBI).

i. PAC 1 has no major contingent liabilities as on December 31, 2011, the date of the last audit.

ii. The shares of PAC 1 are not listed on any Stock Exchange.

3.3 FFHL GROUP LIMITED (PAC 2)

3.3.1 PAC 2, FFHL Group Limited, was originally incorporated as “870675 Ontario Limited” on December 04, 1989 under the Business Corporation Act, 1982, Canada at Toronto, Province of Ontario, Canada. 870675 Ontario Limited changed its name to Odyssey Re Group Limited pursuant to articles of amendment dated October 16, 1997. Odyssey Re Group Limited continued under the Federal Canada Business Corporations Act pursuant to articles of continuance dated December 03, 1997 and changed its name to FFHL Group Limited pursuant to the Articles of Amendment dated July 20, 2001. The Registered Office of PAC 2 is located at 95, Wellington Street, West Suite, 800, Toronto, Ontario, Canada, M5J2N7.

3.3.2 PAC 2 has been promoted by and is a wholly owned subsidiary of Fairfax Financial Holdings Limited (PAC 3) PAC 2 is the holding company of PAC 1, which is the holding company of the Acquirer.

3.3.3 PAC 2 is a holding company, which owns shares of companies within the Fairfax Group.

3.3.4 PAC 2 has been promoted by, and is a wholly owned subsidiary of Fairfax Financial Holdings Limited (PAC 3) and belongs to the Fairfax Group.

3.3.5 PAC 2 does not hold any shares in TCIL. Hence the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or Chapter V of the SEBI (SAST) Regulations are not applicable.

3.3.6 The shareholding pattern of PAC 2 is as under:

	Common Shares	
Name of the Shareholder	**Number of Shares**	**% age of Shareholding**
Promoter - Fairfax Financial Holdings Limited.	39,901	100%
Total	**39,901**	**100%**

3.3.7 The details of the Directors of PAC 2 are as follows and none of them are on the Board of Directors of the Target Company:

Name	Date of appointment	Qualification	Experience
Mr. V. Prem Watsa (DIN – 00306824)	December 10, 1997	Bachelor's Degree in Chemical Engineering from IIT Madras and MBA from the Richard Ivey School of Business at the University of Western Ontario.	Mr. Watsa is Chairman and Chief Executive Officer of Fairfax Financial Holdings Limited (FFHL). His professional career started in 1974 with Confederation Life Insurance Company, Toronto. He was a Vice-President of G W Asset Management from 1983 to 1984. In 1985, he took control of Markel financial and renamed it as FFHL in 1987. He also opened his own asset management company, Hamblin Watsa Investment Counsel Ltd where he is the vice-president today.
Mr. Eric Salsberg	December 14, 1989	BA, University of Toronto; LLB, University of Toronto; lawyer	Mr. Salsberg has been Vice President, Corporate Affairs of Fairfax since 1989 and also the Corporate Secretary since April 2012. Prior to 1989, Mr. Salsberg was a partner with Torys LLP.
Mr. Paul Rivett	December 4, 2008	MIR, Queen's University; LLB, Queen's University; lawyer	Mr. Rivett was a lawyer with Blake, Cassels & Graydon LLP from 1996-2000 and a lawyer with Shearman & Sterling from 2000-2003. He has been the Vice President of Fairfax since 2003 and the Chief Operating Officer of Hamblin Watsa Investment Counsel since 2007.
Mr. Ronald Schokking	December 4, 2008	Registered Industrial Accountant degree from Wilfrid Lauier University; Member of Canadian Insurance Accountants Association and Society of Management Accountants of Ontario.	Mr. Schokking has been a member of the Fairfax Team for 23 years. He currently holds the position of Vice President and Treasurer, a position he has held since 2006. Prior to that he was the Vice President of Finance. In addition, Mr. Schokking holds various directorship positions.

3.3.8 PAC 2, being a closely held company, is not required to have its financials audited under Canadian law. Accordingly, the brief standalone unaudited financials of PAC 2 have been provided herein below for the financial years ending December 31, 2009, 2010 and 2011:

(In Million except for EPS)

Particulars	As on and for the year ended December 31, 2011		As on and for the year ended December 31, 2010		As on and for the year ended December 31, 2009	
	In USD	**In ₹**	**In USD**	**In ₹**	**In USD**	**In ₹**
Profit & Loss Statement						
Income from Operations	194.90	10,657.33	874.60	47,824.00	118.90	6,501.57
Other Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	**194.90**	**10,657.33**	**874.60**	**47,824.00**	**118.90**	**6,501.57**
Total Expenditure	0.50	27.34	0.00	0.00	(0.40)	(21.87)
Profit/(Loss) Before Depreciation Interest and Tax	194.40	10,629.99	874.60	47,824.00	119.30	6,523.44
Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest Expense/(Income)	0.00	0.00	0.00	0.00	0.00	0.00
Profit Before Tax	194.40	10,629.99	874.60	47,824.00	119.30	6,523.44

Particulars	As on and for the year ended December 31, 2011		As on and for the year ended December 31, 2010		As on and for the year ended December 31, 2009	
	In USD	**In ₹**	**In USD**	**In ₹**	**In USD**	**In ₹**
Provision for Tax	(27.10)	(1,481.86)	38.00	2,077.88	(15.20)	(831.15)
Profit After Tax/ (Loss)	**221.60**	**12,117.31**	**836.60**	**45,746.12**	**134.50**	**7,354.59**
Balance Sheet Statement						
Sources of Funds						
Paid Up Equity Share Capital	5,515.65	301,601.26	5,505.70	301,057.18	5,196.10	284,127.94
Reserves and Surplus (Excluding Revaluation Reserves)	685.65	37,492.03	730.70	39,955.41	1,078.40	58,967.99
Net worth	**6,201.30**	**339,093.29**	**6,236.40**	**341,012.59**	**6,274.50**	**343,095.93**
Secured Loans	0.00	0.00	0.00	0.00	0.00	0.00
Unsecured Loans	0.00	0.00	0.00	0.00	0.00	0.00
Other Non Current Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Total	**6,201.30**	**339,093.29**	**6,236.40**	**341,012.59**	**6,274.50**	**343,095.93**
Uses of Funds						
Net Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
Investments(At Cost)	0.00	0.00	0.00	0.00	0.00	0.00
Other Non- Current Assets	5,770.45	315,533.98	5,845.30	319,626.85	5,988.80	327,473.57
Net Current Assets (Liabilities)	430.85	23,559.31	391.10	21,385.74	285.70	15,622.36
Total	**6,201.30**	**339,093.29**	**6,236.40**	**341,012.59**	**6,274.50**	**343,095.93**
Other Financial Data						
Dividend %	NA	NA	NA	NA	0.00	0.00
Earnings Per Share	5,561.27	304,095.80	21,202.69	1,159,384.29	4,035.65	220,673.38

Note: Since the financials of PAC 2 are presented in USD, we have adopted a translation (convenience translation) of such financials into Indian Rupees. The USD to Indian Rupee conversion has been assumed at the rate of 1 USD = 54.681 Rupees as on May 21, 2012, the date of the Public Announcement (Source: RBI).

3.3.9 PAC 2 has no contingent liabilities not provided for as on December 31, 2011.

3.3.10 The shares of PAC 2 are not listed on any stock exchange.

3.4 PAC 3 - FAIRFAX FINANCIAL HOLDINGS LIMITED

3.4.1 PAC 3, Fairfax Financial Holdings Limited (FFHL), is a public company incorporated and existing under the laws of Canada, registered under the corporate number 013005 – 2. PAC3 was originally incorporated as ‘Markel Financial Holdings Limited’. Its name was subsequently changed to ‘Fairfax Financial Holdings Limited’ on May 11, 1987. The Registered Office of PAC 3 is located at 95 Wellington Street West, Suite 800, Toronto Canada, M5J 2N7.

3.4.2 PAC 3 is the ultimate holding company of the Acquirer.

3.4.3 PAC 3 is a financial services holding company which through its subsidiaries is primarily engaged in property and casualty insurance and reinsurance and investment management. Fairfax has been under the same management since 1985. The Corporation began as a provider of specialized insurance to the trucking industry in Canada.

3.4.4 PAC 3 is promoted by Mr. V. Prem Watsa, who controls approximately 45% of the total votes attached to all classes of shares issued by FFHL. PAC 3 belongs to the Fairfax Group.

3.4.5 PAC 3 does not hold any shares in TCIL. Hence the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or Chapter V of the SEBI (SAST) Regulations are not applicable.

3.4.6 The shareholding pattern of PAC 3 as on March 31, 2012 is as under:

Name	No. of SVS	%	No. of MVS	%
Promoters - Mr. V. Prem Watsa	310,428	1.58	1,548,000	100.00
Public	19,277,251	98.42	0.00	0.00
Total	19,587,679	100.00	1,548,000	100.00

Notes: As of March 31, 2012, PAC 3 had 19,587,679 subordinate voting shares (“***SVS***”) and 1,548,000 multiple voting shares (“***MVS***”) outstanding. Each SVS carries one vote per share and each MVS carries 10 votes per share at meetings of shareholders. This effectively leads to Mr. Watsa owning or controlling shares representing approximately 45% of total votes attached to all classes of PAC 3 shares.

As of March 31, 2012, the paid up capital of the SVS was approximately USD 3,243 million and the paid up capital of the MVS was approximately USD 3.8 million. The closing price of the SVS on the Toronto Stock Exchange on May 18, 2012 was USD 400.50 per share, May 21, 2012 (the PA date) being a holiday for the Toronto Stock Exchange.

3.4.7 The details of the Directors of PAC 3 are as follows and none of them are on the Board of Directors of the Target Company:

Name	**Date of appointment**	**Qualification**	**Experience**
Mr. V. Prem Watsa (DIN – 00306824)	October 17, 1985	Bachelor's Degree in Chemical Engineering from IIT Madras and MBA from the Richard Ivey School of Business at the University of Western Ontario.	Mr. Watsa is the Chairman and Chief Executive Officer of Fairfax Financial Holdings Limited (FFHL). His professional career started in 1974 with Confederation Life Insurance Company, Toronto. He was a Vice-President of G W Asset Management from 1983 to 1984. In 1985, he took control of Markel financial and renamed it as FFHL in 1987. He also opened his own asset management company, Hamblin Watsa Investment Counsel Ltd where he is the vice-president today.
Mr. Anthony F. Griffiths	April 16, 2002	MBA, Harvard University; BA, McGill University; Independent Business Consultant	Mr. Griffiths was the Chairman of Mitel Corporation from 1987 to 1993 and from 1991 to 1993 assumed the positions of President and Chief Executive Officer in addition to that of a Chairman.
Mr. Robert J Gunn	April 18, 2007	Independent Business Consultant.	Mr. Gunn held the positions of President and Chief Executive Officer at Royal & Sun Alliance Canada, from 1990 to 2001. He also served as a Group Director, Americas of Royal and Sun Alliance from 1998 to 2001.
Mr. Alan D Horn	April 16, 2008	Certificate of Accountancy, University of Aberdeen; B. Sc., University of Aberdeen; Chartered Accountant.	Mr. Horn is currently the President and Chief Executive Officer of Rogers Telecommunication Limited and has been the Chairman of Rogers Communication since March 2006. He was previously Vice-President, Finance and CFO of Rogers Communications Inc. from 1996 to 2006 and President and COO of Rogers Telecommunications Limited from 1990 to 1996.
Mr. John R. V. Palmer	April 26, 2012	Chartered Accountant	Mr. Palmer has acted as a consultant and advisor on financial and regulatory matters to a number of international organizations including the IMF and the World Bank. He has previously served as the Superintendent of Financial Institutions for Canada from 1994 to 2001 and as a Deputy Managing Director of the Monetary Authority of Singapore from 2002 to 2004.
Mr. Timothy R Price	April 22, 2010	BA, University of Victoria; CA, Quebec; Chartered Accountant	Mr. Price has been the Chairman of Brookfield Funds, Brookfield Asset Management Inc since 1997 and was the Chairman of Brookfield Financial Corporation until December, 2004.
Mr. Brandon R Sweitzer	April 14, 2004	BA, Harvard College, MA, John Hopkins School of International Studies	Mr. Sweitzer has served as the Chief Financial Officer of Marsh Inc since 1981 and was its President from 1999 to 2000.

3.4.8 The brief consolidated audited financial details of PAC 3 for the last three years are given below:

(In Million except for EPS)

	IFRS				**CGAAP**	
	As on and for the year ended December 31, 2011		**As on and for the year ended December 31, 2010**		**As on and for the year ended December 31, 2009**	
Particulars	**In USD**	**In ₹**	**In USD**	**In ₹**	**In USD**	**In ₹**
Profit & Loss Statement						
Income from Operations	6,023.00	329,343.66	5,124.30	280,201.85	5,648.10	308,843.76
Other Income	1,452.00	79,396.81	843.00	46,096.08	987.50	53,997.49
Total Income	**7,475.00**	**408,740.48**	**5,967.30**	**326,297.93**	**6,635.60**	**362,841.24**
Total Expenditure	7,210.20	394,260.95	5,572.20	304,693.47	5,224.30	285,669.95
Profit/(Loss) Before Depreciation Interest and Tax	264.80	14,479.53	395.10	21,604.46	1,411.30	77,171.30
Depreciation	59.50	3,253.52	48.50	2,652.03	39.40	2,154.43
Interest Expense/(Income)	214.00	11,701.73	195.50	10,690.14	166.30	9,093.45
Profit Before Tax	(8.70)	(475.72)	151.10	8,262.30	1,205.60	65,923.41
Provision for Taxation	(56.50)	(3,089.48)	(186.90)	(10,219.88)	214.90	11,750.95
Profit After Tax/ (Loss)	**47.80**	**2,613.75**	**338.00**	**18,482.18**	**990.70**	**54,172.47**
Balance Sheet Statement						
Sources of Funds						
Paid Up Equity Share Capital	3,187.30	174,284.75	3,202.10	175,094.03	3,029.90	165,677.96
Reserves and Surplus (Excluding Revaluation Reserves)	5,221.20	285,500.44	5,471.80	299,203.50	4,706.70	257,367.06
Net worth	**8,408.50**	**459,785.19**	**8,673.90**	**474,297.53**	**7,736.60**	**423,045.02**
Secured Loans	1.00	54.68	2.20	120.30	12.10	661.64
Unsecured Loans	3,017.50	164,999.92	2,726.90	149,109.62	2,301.70	125,859.26
Other Non Current Liabilities	14,151.30	773,807.24	13,225.90	723,205.44	12,053.00	659,070.09
Total	**25,578.30**	**1,398,647.02**	**24,628.90**	**1,346,732.88**	**22,103.40**	**1,208,636.02**
Uses of Funds						
Net Fixed Assets	210.80	11,526.75	184.80	10,105.05	168.60	9,219.22
Investments(At Cost)	24,322.50	1,329,978.62	23,300.00	1,274,067.30	21,273.00	1,163,228.91
Other Non- Current Assets	3,759.80	205,589.62	3,355.00	183,454.76	2,906.50	158,930.33
Net Current Assets (Liabilities)	(2,714.80)	(148,447.98)	(2,210.90)	(120,894.22)	(2,244.70)	(122,742.44)
Total	**25,578.30**	**1,398,647.02**	**24,628.90**	**1,346,732.88**	**22,103.40**	**1,208,636.02**
Other Financial Data						
Dividend (%) [a]	NA	NA	NA	NA	NA	NA
Earnings Per Share	(0.31)	(16.95)	14.90	814.75	43.99	2,405.42

Note: Since the financials of PAC 3 are presented in USD, we have adopted a translation (convenience translation) of such financials into Indian Rupees. The USD to Indian Rupee conversion has been assumed at the rate of 1 USD = 54.681 Rupees as on May 21, 2012, the date of the Public Announcement (Source: RBI).

a. PAC 3 paid cash dividend of USD 8.00 per share for the year ending December 31, 2009 and USD 10.00 for the years ending December 31, 2010 and 2011. As previously mentioned in 3.4.6, PAC 3's issued capital consists of SVS and MVS; the MVS are not publicly traded and the SVS are without par value.

3.4.9 PAC 3 has no major contingent liabilities as on December 31, 2011, the date of the last audited financials.

3.4.10 The SVS of PAC 3 are listed on the Toronto Stock Exchange under the symbol FFH and in US Dollars under the symbol FFH U. The closing market price of SVS as on May 18, 2012 was USD 400.50 per share, May 21, 2012 (the PA date) being a holiday for the Toronto Stock Exchange.

3.4.11 Mr. Eric Salsberg is the Vice President, Corporate Affairs of PAC 3 since January 1,1989 and became the Corporate Secretary on April 26, 2012 .

3.4.12 The corporate governance policies and practices are reviewed regularly by the Board of Directors of the Company and updated as necessary or advisable. The corporate governance practices are in compliance with all applicable rules and substantially comply with all applicable policies and guidelines, including those of the Canadian Securities Administrators. The Code of Business Conduct and Ethics is built around the first value in the longstanding and regularly reported Guiding Principles of PAC 3 – “honesty and integrity are essential in all our relationships and will never be compromised”. Also, PAC 3 follows the Whistle Blower Policy and a policy specifying the role, powers and functions of all the committees of the Board of Directors of PAC 3 in compliance with the applicable policies and guidelines of the Laws of Canada.

4 BACKGROUND OF THE TARGET COMPANY, AS CONFIRMED BY THE TARGET COMPANY

4.1 Thomas Cook (India) Limited (TCIL) (CIN L63040MH1978PLC020717) was originally incorporated as Thomas Cook (India) Private Limited on October 21, 1978 under the Companies Act as a private limited company. The name of the Company was changed to “Thomas Cook (India) Limited” pursuant to the provisions of section 23 of Companies Act and the special resolution passed by the members at the extra-ordinary general meeting held on March 07, 1979 and received a fresh Certificate of Incorporation dated March 12, 1979.

4.2 The registered office of TCIL is situated at Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001 (Tel: 91-22-6160 3333 Fax: 91-22-2287 1069/ 6609 1454, E Mail ID: sharedept@in.thomascook.com; Website: www.thomascook.in.

4.3 TCIL is involved in providing travel related services mainly in India, Mauritius and Sri Lanka and operates in two key divisions:

4.3.1 Financial Services - Authorized dealers (Category II) in foreign exchange focused on providing travel related foreign exchange and payment solutions.

4.3.2 Travel Related Services - Services include consumer leisure travel retailing (such as retailing of package tours), corporate travel management services (such as air and hotel reservations), leisure inbound service (services for customers of third party tour operators at their arrival) and general sales agency business.

4.4 TCIL currently has its presence in over 204 (including 25 airport counters) locations spread over 78 cities and is supported by a strong partner network of 117 Gold Circle Partners and 166 preferred sales agents in over 100 cities across India.

4.5 The share capital structure of Thomas Cook (India) Limited as on the date of this Letter of Offer is set forth below:

Paid Up Equity Shares of the Target Company	No. of Equity Shares / Voting Rights as on the date of this Letter of Offer	% of Equity Shares / Voting Rights as on the date of this Letter of Offer
Fully Paid Up Equity Shares	21,28,38,480	100
Partly Paid Up Equity Shares	0	0
Total Paid Up Equity Shares	21,28,38, 480	100
Total Voting Rights in the Target Company	21,28,38,480	100

4.6 The shares of the Target Company are not currently suspended from trading on any of the stock exchanges where they are currently listed (*i.e.* BSE and NSE).

4.7 All the Equity Shares of the Target Company are currently listed on the BSE and the NSE. The Target Company is not in breach of the provisions of the listing agreement as on the date of this Letter of Offer and no punitive action has been initiated against the Target Company by the stock exchanges where the equity shares are listed. The shares of the company are frequently traded on both the exchanges. The entire issued, subscribed and paid up share capital of the company is listed on the BSE and NSE.

4.8 Except as disclosed in this Letter of Offer, there are no outstanding instruments (warrants/FCD’s/PCDs) *etc.* convertible into Equity Shares.

4.9 As on the date of this Letter of Offer, TCIL has Class ‘B’ 0.001% cumulative convertible/ redeemable preference share capital of ₹31,97,650 divided into 3,19,765 outstanding preference shares of the face value of ₹10/- each (“**Class B Preference Shares**”), and Class ‘C’ 0.001% cumulative convertible/ redeemable preference share capital of ₹27,18,000 divided into 2,71,800 outstanding preference shares of face value of ₹10/- each (“**Class C Preference Shares**”). As per the terms of issue of these preference shares, the Class B Preference Shares are convertible into 31,97,650 Equity Shares in accordance with the terms of the Class B Preference Shares, after the EPS of the Company exceeds the prescribed target levels in any financial year (ending December 31) between January 1, 2007 and December 31, 2013. Similarly, the Class C Preference Shares are convertible into 27,18,000 Equity Shares in accordance with the terms of the Class C Preference Shares, after the EPS of the Company exceeds the prescribed target levels in any financial year (ending December 31) between January 1, 2007 and December 31, 2013.

As per TCIL, the Class B Preference Shares and Class C Preference Shares are not eligible for conversion on or before the relevant date. The Scheme of Amalgamation approved by the High Court in Mumbai provides for the process to determine certain issues relating to whether the Class B Preference Shares and Class C Preference Shares are convertible into Equity Shares of TCIL. As LKP Finance Limited has claimed that the Series B Preference Shares are eligible for conversion, LKP Finance Limited and TCIL have made a reference to M/s. G. M. Kapadia & Co., Chartered Accountants. If it is determined that the Class B Preference Shares or Class C Preference Shares are convertible into Equity Shares, the Acquirer undertakes to increase the Offer Size to include such number of Equity Shares to the extent that TCIL informs the Acquirer that the Class B Preference Shares or Class C Preference Shares are convertible into.

4.10 The Target Company had approved the Employee Stock Option Plan 2007 ("**ESOP Scheme**") in a meeting of its board of directors dated November 23, 2006, which was subsequently amended by way of a circular resolution of the board of directors dated January 15, 2007. Pursuant to a meeting of the Recruitment & Remuneration Committee on May 12, 2010, the pricing formula contained in the ESOP Scheme was amended. As of the Identified Date, i.e. Thursday, June 28, 2012, there are 38,37,941 options outstanding of which, 27,26,416 options have vested and are exercisable as of the Identified Date, i.e. Thursday, June 28, 2012.

4.11 There are no partly paid-up shares in the Company with differential voting rights.

4.12 The current Board of Directors of TCIL is as under:

Name and DIN No.	**Date of appointment**	**Designation**
Mr. Mahendra Kumar Sharma (DIN : 00327684)	May 29, 2009	Chairman
Mr. Madhavan Menon (DIN: 00008542)	May 01, 2000	Managing Director
Mr. Rakshit Desai (DIN: 02435721)	November 25, 2008	Executive Director- Foreign Exchange
Mr. Vinayak K. Purohit (DIN : 00185052)	May 14, 2007	Executive Director – Finance
Mr. Anant Vishnu Rajwade (DIN: 00007232)	January 21, 2006	Independent Director
Mr. Hoshang S. Billimoria (DIN: 00005003)	December 7, 1983	Independent Director
Mr. Krishnan Ramachandran (DIN : 00193357)	May 29, 2009	Independent Director
Mr. Ramesh Savoor (DIN 00149089)	May 29, 2009	Independent Director

None of the above directors are the representatives of the Acquirer or the PAC as on the date of the PA, DPS and this Letter of Offer.

4.13 The compliance officer of TCIL is Mr. R. R. Kenkare, President and Head - Legal and Company Secretary of the Company, who will be available at the Registered Office of TCIL at Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai - 400 001 Tel: +91-22-6160 3333 Fax: +91-22-2287 1069/ 6609 1454, E Mail ID: sharedept@in.thomascook.com Website: www.thomascook.in and attends to all investor grievances of the Target Company

4.14 There has been no merger, demerger or spin off during the last three years involving the Target Company.

4.15 The brief consolidated audited financial details of TCIL for the last three years are as under:

(₹in Million except for EPS)

Particulars	**As on and for the year ended December 31, 2011**	**As on and for the year ended December 31, 2010**	**As on and for the year ended December 31, 2009**
Profit & Loss Statement			
Income from Operations	3,737.93	3,103.70	2,652.00
Other Income [a]	289.50	301.98	94.30
Total Income	**4,027.43**	**3,405.69**	**2,746.30**
Total Expenditure	2,850.78	2,416.97	2,014.91
Profit/ (Loss) Before Depreciation Interest and Tax	**1,176.65**	**988.71**	**731.40**
Depreciation	139.35	135.04	116.44
Interest Expense/(Income)	230.85	217.40	210.09
Profit/(Loss) Before Tax	**806.44**	**636.27**	**404.86**
Exceptional Item	0.00	100.00	0.00
Profit/(Loss) Before Tax After Exceptional Item	806.44	736.27	404.86
Provision for Taxation	244.05	264.66	154.74
Profit /(Loss)After Tax	**562.40**	**471.61**	**250.11**
Balance Sheet Statement			
Sources of Funds			
Paid Up Share Capital [b]	217.92	217.72	217.36
Reserves and Surplus (Excluding Revaluation Reserves)	3,704.78	3,189.71	2,802.51

Particulars	As on and for the year ended December 31, 2011	As on and for the year ended December 31, 2010	As on and for the year ended December 31, 2009
Networth	**3,922.70**	**3,407.43**	**3,019.87**
Secured Loans	24.28	23.51	7.94
Unsecured Loans	2,261.98	1,992.09	1,692.50
Deferred Tax Liability (Net)	50.01	76.34	29.30
Total	**6,258.98**	**5,499.38**	**4,749.61**
Uses of Funds			
Net Fixed Assets [c]	2,490.58	2,474.58	2,191.59
Investments	382.71	155.77	356.12
Net Current Assets	3,385.68	2,869.03	2,201.89
Total	**6,258.98**	**5,499.38**	**4,749.61**
Other Financial Data			
Dividend (%) [d]	37.50%	37.50%	37.50%
Earnings Per Share			
Basic After Exceptional Item	2.65	2.23	1.19
Diluted After Exceptional Item	2.58	2.17	1.16
Return on Networth (%) [e]	14.36%	13.86%	8.30%
Book Value Per Share (₹) [f]	18.50	16.09	14.28

(Source: The financial information has been extracted from the audited financial statements of the Target Company for the financial years ended 31st December, 2011, 2010 and 2009)

a. Other income figures for the financial years ended December 31, 2010 and 2011 include Dividend on Investments, Rent, Profit on Sale of Fixed Assets (Net), Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers, Recovery of Expenses, Education and Training Income, Interest on Income Tax Refund, Liabilities no longer required written back and Miscellaneous Income and Other income figures for the financial year ended December 31, 2009 includes Dividend on Investments, Rent, Recovery of Expenses, Liabilities no longer required written back and Miscellaneous Income.

b. Paid-up share capital includes preference capital of ₹5.92 Million as at December 31, 2009, 2010 and 2011.

c. Net fixed assets include capital work in progress.

d. Dividend % refers to dividend per equity share as a % of face value of Equity Shares.

e. Return on Net Worth calculated as (profit after tax-dividend on preference shares including dividend)/(paid up equity capital + reserves & surplus excluding preference capital).

f. Book value per share calculated as (paid-up equity capital + reserves & surplus excluding preference capital)/total Equity Shares outstanding at the year end.

4.15.1 Other than the above: There are no equity-linked instruments, which are outstanding in the Target Company as on the date of this Letter of Offer.

a) It is being clarified that the options vested could be exercised by the employees during the Tendering Period and have hence been considered for the purpose of determining the size of the Offer.

4.16 The contingent liabilities not provided for as on December 31, 2011 is ₹1,755.65 million, as provided in the notes to the audited accounts for the financial year ended December 31, 2011.

4.17 Pre and Post Offer Shareholding pattern of TCIL as of the Identified Date, i.e. Thursday, June 28, 2012 (see note 'd' below):

Shareholding Structure Assuming Full Conversion of Options and Full Acceptance by Equity Shareholders								
Shareholders' Category	**Shareholding Prior to Agreement / PA which triggered the Regulations**		**Sale Shares agreed to be acquired which triggered the SEBI (SAST) Regulations**		**Equity Shares to be acquired in this Offer**		**Shareholding after the acquisition and this Offer**	
	(A)		**(B)**		**(C)**		**(D)**	
	Number	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
1. Promoters Group								
A. Parties to the Transaction								
Thomas Cook UK Limited	45,346,449	21.31	0	0.00	0	0.00	0	0.00
TCIM Ltd	118,125,000	55.50	0	0.00	0	0.00	0	0.00
Total (A)	**163,471,449**	**76.81**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Total (1)	**163,471,449**	**76.81**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**

Shareholding Structure Assuming Full Conversion of Options and Full Acceptance by Equity Shareholders								
Shareholders' Category	Shareholding Prior to Agreement / PA which triggered the Regulations		Sale Shares agreed to be acquired which triggered the SEBI (SAST) Regulations		Equity Shares to be acquired in this Offer		Shareholding after the acquisition and this Offer	
	(A)		(B)		(C)		(D)	
	Number	%	Number	%	Number	%	Number	%
2. Acquirers / Parties to the SPA								
a. Acquirer	0	0.00	163,471,449	76.81	52,093,447*	24.17	215,564,896	100.00
b. PAC	0	0.00	0	0.00	0	0.00	0	
Total (2)	**0**	**0.00**	**163,471,449**	**76.81**	**52,093,447**	**24.17**	**215,564,896**	**100.00**
3. Public Holding								
Institutions	4,732,353	2.22	0	0.00	0	0.00	0	0.00
NRIs	433,394	0.20	0	0.00	0	0.00	0	0.00
Indian Public	44,201,284	20.77	0	0.00	0	0.00	0	0.00
Total(3)	**49,367,031**	**23.19**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Total (1+2+3)	**212,838,480**	**100.00**	**163,471,449**	**76.81**	**52,093,447**	**24.17**	**215,564,896**	**100.00**

* Assuming full exercise of eligible employee stock options as on or prior to August 8, 2012.

Shareholding Structure Assuming Zero Conversion of Options and Zero Acceptance by Equity Shareholders								
Shareholders' Category	Shareholding Prior to Agreement / PA which triggered the Regulations		Sale Shares agreed to be acquired which triggered the SEBI (SAST) Regulations		Equity Shares to be acquired in this Offer		Shareholding after the acquisition and this Offer	
	(A)		(B)		(C)		(D)	
	Number	%	Number	%	Number	%	Number	%
1. Promoters Group								
A. Parties to the Transaction								
Thomas Cook UK Limited	45,346,449	21.31	0	0.00	0	0.00	0	0.00
TCIM Ltd	118,125,000	55.50	0	0.00	0	0.00	0	0.00
Total (A)	**163,471,449**	**76.81**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Total (1)	**163,471,449**	**76.81**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
2. Acquirers / Parties to the SPA								
a. Acquirer	0	0.00	163,471,449	76.81	0	0.00	163,471,449	76.81
b. PAC	0	0.00	0	0.00	0	0.00	0	0.00
Total (2)	**0**	**0.00**	**163,471,449**	**76.81**	**0**	**0.00**	**163,471,449**	**76.81**
3. Public Holding								
Institutions	4,732,353	2.22	0	0.00	0	0.00	4,732,353	2.22
NRIs	433,394	0.20	0	0.00	0	0.00	433,394	0.20
Indian Public	44,201,284	20.77	0	0.00	0	0.00	44,201,284	20.77
Total(3)	**49,367,031**	**23.19**	**0**	**0.00**	**0**	**0.00**	**49,367,031**	**23.19**
Total (1+2+3)	**212,838,480**	**100.00**	**163,471,449**	**76.81**	**0**	**0.00**	**212,838,480**	**100.00**

Notes:

a. There are no partly paid Equity Shares in the Target Company.

b. The face value of the Equity Shares of the Target Company is ₹ 1/- each.

c. The total number of shareholders of TCIL as of the Identified Date, i.e. Thursday, June 28, 2012, was 39,661.

d. Based on shareholding pattern as of Thursday, 28 June, 2012, i.e. the Identified Date.

4.18 The acquisition of 24.17% of the paid up equity share capital of TCIL pursuant to this Offer, together with the Sale Shares being acquired pursuant to the SPA, will result in the public shareholding in TCIL falling below the level required for continued listing. As per the provisions of the SEBI (SAST) Regulations, the SCRR and the Listing Agreement, the Acquirer and/or TCIL is required to bring down the non-public shareholding to the level specified in the SCRR. Accordingly, the Acquirer has undertaken to comply with the prescribed public shareholding requirements within one year from the date of closure of the Offer or such longer period as may be prescribed under the SCRR and / or the Listing Agreement.

4.19 TCIL and each of its promoters has complied with the provisions of Chapter II of the erstwhile SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the provisions of Chapter V of the SEBI (SAST) Regulations.

The status of compliance of TCIL with the provisions of Chapter II of the erstwhile SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 for the last 10 years is as follows:

Sl. No.	Regulation/ Sub-regulation	Due date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in no of days) Col.4-Col.3	Status of compliance with Takeover Regulations	Remarks
1	2	3	4	5	6	7
1	8(3)	30.04.2002	11.04.2002	-	Complied	Annual Disclosure
1A	8(3)	30.03.2002	28.02.2002	-	Complied	Dividend Record Date 28.02.2002
2	8(3)	30.04.2003	11.04.2003	-	Complied	Annual Disclosure
2A	8(3)	26.03.2003	24.02.2003	-	Complied	Dividend Record Date 24.02.2003
3	8(3)	30.04.2004	05.04.2004	-	Complied	Annual Disclosure
3A	8(3)	28.03.2004	10.03.2004	-	Complied	Dividend Record Date 27.02.2004
4	8(3)	30.04.2005	05.04.2005	-	Complied	Annual Disclosure
4A	8(3)	16.04.2005	05.04.2005	-	Complied	Dividend Record Date 17.03.2005
5	7(3)	14.02.2006 (7 days from intimation to the Company)	07.02.2006	-	Complied	Activity date: 04.02.2006 & Intimation to TC: 07.02.2006
5A	8(3)	30.04.2006	19.04.2006	-	Complied	Annual Disclosure
5B	8(3)	27.04.2006	19.04.2006	-	Complied	Dividend Record Date 28.03.2006
5C	7(3)	21.08.2006 (7 days from intimation to the Company)	14.08.2006	-	Complied	Activity Date: 11.08.2006 & Intimation to TC: 14.08.2006
6	8(3)	30.04.2007	26.04.2007	-	Complied	Annual Disclosure
6A	8(3)	25.07.2007	20.07.2007	-	Complied	Dividend Record Date 25.06.2007
7	7(3)	06.04.2008 (7 days from intimation to the Company)	30.03.2008	-	Complied	Activity date: 28.03.2008 & Intimated to TC: 30.03.2008
7A	8(3)	30.04.2008	01.04.2008	-	Complied	Annual Disclosure
7B	8(3)	27.07.2008	10.07.2008	-	Complied	Dividend Record Date 27.06.2008
7C	7(3)	18.07.2008 (7 days from intimation to the Company)	14.07.2008	-	Complied	Activity date: 08.07.2008 & Intimation to TC: 11.07.2008
7D	7(3)	25.07.2008 (7 days from intimation to the Company)	18.07.2008	-	Complied	Activity dts: 16.07.2008 & 17.07.2008 & Intimation to TC: 18.07.2008
8	7(3)	30.01.2009 (7 days from intimation to the Company)	24.01.2009	-	Complied	Activity date: 21.01.2009 & Intimation to TC: 23.01.2009
8A	8(3)	30.04.2009	08.04.2009	-	Complied	Annual Disclosure
8B	8(3)	27.06.2009	29.05.2009	-	Complied	Dividend Record Date 28.05.2009
9	8(3)	30.04.2010	09.04.2010	-	Complied	Annual Disclosure

Sl. No.	Regulation/ Sub-regulation	Due date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in no of days) Col.4-Col.3	Status of compliance with Takeover Regulations	Remarks
9A	8(3)	11.06.2010	26.05.2010	-	Complied	Dividend Record Date 12.05.2010
10	8(3)	30.04.2011	13.04.2011	-	Complied	Annual Disclosure
10A	8(3)	04.06.2011	20.05.2011	-	Complied	Dividend Record Date 05.05.2011

The status of compliance of Seller 1 with the provisions of Chapter II of the erstwhile SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the provisions of Chapter V of the SEBI (SAST) Regulations for the last 10 years is as follows:

Sl. No.	Regulation/ Sub-regulation	Due date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in no of days) Col.4-Col.3	Status of compliance with Takeover Regulations	Remarks
1	2	3	4	5	6	7
1	8(1) & 8(2)	21.04.2002	-	-	-	Not applicable
2	8(1) & 8(2)	21.04.2003	-	-	-	Not applicable
3	8(1) & 8(2)	21.04.2004	-	-	-	Not applicable
4	8(1) & 8(2)	21.04.2005	-	-	-	Not applicable
5	8(1) & 8(2)	21.04.2006	-	-	-	Not applicable
6	8(1) & 8(2)	21.04.2007	-	-	-	Not applicable
7	7(1) & (2)	30.03.2008	30.03.2008	-	Complied	SPA (Activity date: 28.03.2008)
8	8(1) & 8(2)	21.04.2008	01.04.2008	-	Complied	Annual Disclosure
9	8(2)	18.07.2008	04.07.2008	-	Complied	Dividend Record Date 27.06.2008
10	7(1A) & (2)	10.07.2008	11.07.2008	1 day	Complied but with delay of 1 day	Acquisition under Open Offer (Activity dt. 08.07.2008)
11	7(1A) & (2)	18.07.2008	18.07.2008	-	Complied	Acquisition under Open Offer (Activity dts. 16.07.2008+17.07.2008)
12	7(1) & (2)	23.01.2009	23.01.2009	-	Complied	Acquisition under Rights Issue (Activity dt. 21.01.2009)
13	8(1) & 8(2)	21.04.2009	07.04.2009	-	Complied	Annual Disclosure
13A	8(2)	18.06.2009	28.05.2009	-	Complied	Dividend Record Date 28.05.2009
14	8(1) & 8(2)	21.04.2010	09.04.2010	-	Complied	Annual Disclosure
14A	8(2)	02.06.2010	25.05.2010	-	Complied	Dividend Record Date 12.05.2010
15	8(1) & 8(2)	21.04.2011	12.04.2011	-	Complied	Annual Disclosure
15A	8(2)	26.05.2011	19.05.2011	-	Complied	Dividend Record Date 05.05.2011
16	31(1) (New Code)	17.01.2012	10.01.2012	-	Complied	Creation dt. 10.01.2012
17	30(1) & (2) (New Code)	12.04.2012	04.04.2012	-	Complied	Annual disclosure

The status of compliance of Seller 2 with the provisions of Chapter II of the erstwhile SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the provisions of Chapter V of the SEBI (SAST) Regulations for the last 10 years is as follows:

Sl. No.	Regulation / Sub-regulation	Due date for compliance as mentioned in the Regulation	Actual date of compliance	Delay, if any (in no of days) Col.4-Col.3	Status of compliance with Takeover Regulations	Remarks
1	2	3	4	5	6	7
1	8(1) & 8(2)	21.04.2002	-	-	-	Not applicable
2	8(1) & 8(2)	21.04.2003	-		-	Not applicable
3	8(1) & 8(2)	21.04.2004	-	-	-	Not applicable
4	8(1) & 8(2)	21.04.2005	-	-	-	Not applicable
5	8(1) & 8(2)	21.04.2006	-	-	-	Not applicable
6	8(1) & 8(2)	21.04.2007	-	-	-	Not applicable
7	7(1) & (2)	30.03.2008	30.03.2008	-	Complied	SPA
8	8(1) & 8(2)	21.04.2008	01.04.2008	-	Complied	Annual Disclosure
8A	8(2)	18.7.2008	04.07.2008	-	Complied	Record Date for dividend Date 27.06.2008
9	7(1) & (2)	23.01.2009	23.01.2009	-	Complied	Acquisition under Rights issue
10	8(1) & 8(2)	21.04.2009	03.04.2009	-	Complied	Annual Disclosure
10A	8(2)	18.06.2009	28.05.2009	-	Complied	Record Date for dividend Date 28.05.2009
11	8(1) & 8(2)	21.04.2010	09.04.2010	-	Complied	Annual Disclosure
11A	8(2)	02.06.2010	25.05.2010	-	Complied	Record Date for dividend Date 12.05.2010
12	8(1) & 8(2)	21.04.2011	12.04.2011	-	Complied	Annual Disclosure
12A	8(2)	26.05.2011	19.05.2011	-	Complied	Record Date for dividend Date 05.05.2011
13	31(1) (New Code)	17.01.2012	10.01.2012	-	Complied	Creation dt. 10.01.2012
14	30(1) & (2) (New Code)	12.04.2012	04.04.2012	-	Complied	Annual Disclosure

5 OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer price

5.1.1 The Offer is made pursuant to the execution of the SPA for the direct acquisition of Equity Shares from the Sellers by the Acquirer.

5.1.2 The Equity Shares of TCIL are frequently traded on both BSE and NSE, during the 12 months preceding the date on which the Public Announcement was made. The number of Equity Shares traded during the 12 calendar months preceding May 2012, the month in which the PA was made, on BSE, is 6,59,29,371 Equity Shares which is 30.98% of the total paid up equity share capital (Source: www.bseindia.com) and on NSE is 14,28,37,248 Equity Shares, which is 67.12 % of the total paid up equity share capital of TCIL (source: www.nse-india.com).

5.1.3 Since the Equity Shares of TCIL have been frequently traded at all the stock exchanges where the Equity Shares are listed, during the 12 calendar months preceding the month in which the PA has been issued, and since the maximum volume of trading is recorded at NSE during the preceding 60 trading days from date of Public Announcement, the Offer Price is justified, taking into account, the following parameters, as set out under Regulation 8(2) of the SEBI (SAST) Regulations:

A	The highest negotiated price per Sale Share (as per the SPA)attracting the obligation to make the Offer	₹50/-
B	The volume weighted average price paid by the Acquirer during the fifty two weeks immediately preceding the date of the Public Announcement	No Acquisition
C	The highest price paid for any acquisition by the Acquirer in the twenty six weeks preceding the date of the Public Announcement	No Acquisition
D	The volume-weighted average market price of equity shares of the Target Company for a period of sixty trading days immediately preceding the date of the Public Announcement as traded on NSE, being the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, the shares being frequently traded.	₹65.48/-

5.1.4 Calculation of the volume – weighted average market price of the Equity Shares for a period of sixty (60) trading days immediately preceding the date of PA i.e. May 21, 2012 as traded on NSE (as the maximum volume of trading in the Equity Shares was recorded on NSE during such period) as per Regulation 8 (2) (d) of the SEBI (SAST) Regulations is as follows**:**

S No.	Date	Volume Traded	Total Turnover (In Lakhs)	Weighted Volume Average Price
1	24-Feb-12	643,567	368	57.19
2	27-Feb-12	485,240	272	55.97
3	28-Feb-12	337,161	191	56.52
4	29-Feb-12	1,118,056	659	58.93
5	1-Mar-12	803,736	478	59.45
6	2-Mar-12	301,945	179	59.23
7	3-Mar-12	609,299	373	61.16
8	5-Mar-12	1,332,229	818	61.43
9	6-Mar-12	1,683,509	1,039	61.73
10	7-Mar-12	545,346	326	59.74
11	9-Mar-12	442,311	265	59.98
12	12-Mar-12	387,816	232	59.81
13	13-Mar-12	1,270,557	768	60.48
14	14-Mar-12	1,085,940	682	62.78
15	15-Mar-12	4,256,431	2,777	65.24
16	16-Mar-12	1,355,555	880	64.93
17	19-Mar-12	841,605	552	65.56
18	20-Mar-12	2,118,062	1,430	67.53
19	21-Mar-12	1,427,813	994	69.59
20	22-Mar-12	903,917	616	68.15
21	23-Mar-12	474,881	325	68.38
22	26-Mar-12	1,466,614	981	66.86
23	27-Mar-12	1,470,764	889	60.46
24	28-Mar-12	552,255	345	62.45
25	29-Mar-12	99,038	62	62.23
26	30-Mar-12	151,254	93	61.79
27	2-Apr-12	1,193,167	770	64.50
28	3-Apr-12	1,034,184	656	63.45
29	4-Apr-12	501,549	320	63.88
30	9-Apr-12	281,198	180	63.95
31	10-Apr-12	6,445,031	4,580	71.06
32	11-Apr-12	2,525,068	1,748	69.23
33	12-Apr-12	1,388,854	990	71.31
34	13-Apr-12	981,317	686	69.86
35	16-Apr-12	726,267	506	69.61
36	17-Apr-12	397,661	274	69.01
37	18-Apr-12	221,649	153	68.92
38	19-Apr-12	181,628	124	68.19
39	20-Apr-12	262,415	179	68.30
40	23-Apr-12	222,887	150	67.38
41	24-Apr-12	314,848	209	66.35
42	25-Apr-12	142,090	94	66.21
43	26-Apr-12	278,946	184	65.93
44	27-Apr-12	230,065	149	64.66
45	28-Apr-12	304,281	194	63.72
46	30-Apr-12	317,484	208	65.46
47	2-May-12	104,819	68	64.61
48	3-May-12	148,481	95	64.01

S No.	Date	Volume Traded	Total Turnover (In Lakhs)	Weighted Volume Average Price
49	4-May-12	166,501	105	63.12
50	7-May-12	644,167	416	64.56
51	8-May-12	1,030,323	693	67.31
52	9-May-12	282,003	186	66.12
53	10-May-12	131,568	86	65.05
54	11-May-12	134,321	85	63.47
55	14-May-12	482,829	296	61.32
56	15-May-12	270,191	167	61.84
57	16-May-12	626,811	398	63.44
58	17-May-12	245,023	154	62.74
59	18-May-12	179,279	109	60.99
60	21-May-12	163,639	100	61.17
	Total	**48,725,445**	**31,904**	
	Volume weighted average price (Total turnover divided by the total number of Equity Shares traded)			**₹65.48**

5.1.5 In view of the parameters considered and presented in table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 65.48 (Rupees Sixty Five and Paise Forty Eight Only) per Equity Share being the highest of the prices mentioned above is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.

5.1.6 There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.

5.1.7 There has been no revision in the Offer Price or to the size of this Offer as on the date of this Letter of Offer. An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last three working days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increase to the escrow amounts, as more particularly set out in paragraph 5.2.2 of this Letter of Offer; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE, NSE and the Target Company at its registered office of such revision.

5.1.8 In the opinion of the Manager to the Offer and the Acquirer, the Offer Price is justified. The Offer price of ₹ 65.48 (Rupees Sixty Five and Paise Forty Eight only) per fully paid Equity Share of Face Value Re.1/- is equal to the volume weighted average price for the Equity Shares of TCIL during the 60 trading days preceding the public announcement. There are no partly paid up shares in the share capital of the Target Company.

5.2 Financial arrangements:

5.2.1 Assuming full acceptance of the offer, the total funds requirements is ₹341,10,78,910 (Rupees Three Hundred and Forty One Crores Ten Lakhs Seventy Eight thousand Nine Hundred Ten only) and the same is not subjected to differential pricing.

5.2.2 The total amount deposited in the Escrow Account in Cash is ₹341,11,00,000 (Rupees Three Hundred and Forty One Crore and Eleven Lakh only).

5.2.3 In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has opened a "Cash Escrow Account" in the name and style as "Fairbridge TCIL – Open Offer Escrow A/c" bearing Account No. 000405100819 ("**Escrow Account**") with ICICI Bank Limited, a banking corporation incorporated under the Companies Act and having one of its branch offices at ICICI Bank, Capital Market Division, Raja Bahadur Mansion, 30 Mumbai Samachar Marg, Fort, Mumbai - 400001**,** India,("**Escrow Bank**"), and has made a cash deposit of ₹341,11,00,000/- (Rupees Three Hundred and Forty One Crores and Eleven Lakhs) in the Escrow Account in accordance with Regulation 17(3)(a) of the SEBI (SAST) Regulations, being at least 100% of the total consideration payable to the Equity Shareholders under this Offer and has authorized Pioneer Money Management Limited, Managers to the Offer to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

5.2.4 The Acquirer has adequate resources to meet the funds requirements/obligations under this Offer. The funds required in relation to the Offer have been met from the Acquirer's owned funds and / or funds received from its holding company, PAC 1.

5.2.5 As per Certificate dated May 22, 2012 from Mr. Nishit Dave (Membership No. 120073) Partner, Jayesh Dadia & Associates, Chartered Accountants, 422 Arun Chambers, Tardeo, Mumbai - 400 034 (Tel. No. +91-22-66602417 Fax No.: +91-22-66602418 E mail ID: info@jdaca.com), the Acquirer has adequate liquid resources to meet the funds requirements/obligations under this Offer. As per the said certificate, the aggregate liquid resources available with the Acquirer are ₹341,11,00,000.

5.2.6 Based on the above, Pioneer Money Management Limited, Manager to the Offer certify and confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations, in accordance with the SEBI (SAST) Regulations.

6. TERMS AND CONDITIONS OF THE OFFER

6.1 Operational Terms and Conditions

6.1.1 The Tendering Period will commence on Thursday, July 12, 2012 and will close on Wednesday, July 25, 2012.

6.1.2 The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, all rights of dividends, bonuses or rights from now on and declared hereafter.

6.1.3 This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.

6.1.4 The Identified Date for this Offer as per the tentative schedule of activity is Thursday, June 28, 2012.

6.1.5 The marketable lot for the Equity Shares of TCIL for the purpose of this Offer shall be 1 (one only).

6.1.6 Pursuant to Regulation 23 of the SEBI (SAST) Regulations, this Offer shall be withdrawn if (a) any of the statutory approvals set out in paragraph 6.4.1 of this Letter of Offer have not been received or have been refused ("**Refusal of Statutory Approvals**"); or (b) any of the conditions of the SPA as set out in paragraph 2.1.3 (h) of this Letter of Offer are not met for reasons outside the reasonable control of the Acquirer ("**Non-Satisfaction of SPA Conditions**"), and the SPA is rescinded.

Accordingly, this Offer shall stand withdrawn in the event of Refusal of Statutory Approvals, Non-Satisfaction of SPA Conditions or in the event of a binding order of a court or governmental authority of competent jurisdiction directing the withdrawal of this Offer.

6.1.7 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Equity Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

6.2 Locked in Equity Shares

6.2.1 To the best of our knowledge, the Target Company has no Equity Shares which are "locked in".

6.3 Eligibility for accepting the Offer

6.3.1 The Letter of Offer shall be sent to all Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form (except the present promoter group shareholders, and the Acquirer and persons deemed to be acting in concert with the present promoters) whose names appear in register of Target Company as on Thursday, June 28, 2012, the Identified Date.

6.3.2 This Offer is also open to persons who own Equity Shares in TCIL but are not registered Shareholders as on the "Identified date".

6.3.3 All Equity Shareholders/Beneficial Owners who own Equity Shares of the Target Company and are able to tender such Equity Shares in this Offer at anytime before the closure of the Offer, are eligible to participate in this Offer.

6.3.4 The form of acceptance and other documents required to be submitted, herewith, will be accepted by Registrar to the Offer, TSR Darashaw Limited between 10:00 am to 3:30 pm on working days (Monday to Friday) during the period the Offer is open.

6.3.5 The Public Announcement, the Detailed Public Statement, the Letter of Offer andthe Form of Acceptance cum Acknowledgement will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Equity Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date i.e. Thursday, June 28, 2012, if they so desire, may download the Letter of Offer or the Form of Acceptance cum Acknowledgement from the SEBI's website for applying in the Offer.

6.3.6 Those Equity Shareholders who have not received this Letter of Offer and those who apply in plain paper will not be required to provide any indemnity. They must follow the same procedure mentioned above for registered Equity Shareholders.

6.3.7 The acceptance of this Offer by the Equity Shareholders of TCIL must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

6.3.8 The acceptance of this Offer is entirely at the discretion of the Equity Shareholder(s) /Beneficial owner(s) of TCIL.

6.3.9 The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Share Transfer Deed etc. during transit and the Equity Shareholders of TCIL are advised to adequately safeguard their interest in this regard.

6.3.10 The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.

6.3.11 The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.

6.3.12 The Manager to the Offer shall submit a final report to SEBI within 15 working days from the expiry of the Tendering Period in accordance with Regulation 27(7) of the Regulations confirming status of completion of various Offer Requirements.

6.3.13 For any assistance please contact Pioneer Money Management Limited, Manager to the Offer or the Acquirer or the Registrar to the Offer.

6.4 Statutory Approvals:

6.4.1 This Offer is subject to receipt of the following statutory / regulatory approvals:

a) approval from the RBI under the Master Circular dated July 1, 2011 issued by the RBI and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, for acquiring Equity Shares, if any, from the NRI Equity Shareholders of TCIL pursuant to this Offer;

b) no objection certificate from the RBI as per RBI A.P. (DIR Series) Circular No. 43, dated November 4, 2011 for acquiring Equity Shares, if any, from the resident Indian Equity Shareholders of TCIL, pursuant to this Offer; and

c) receipt of the CCI Approval.

6.4.2 (a) The Acquirer has made an application to the RBI seeking its approval and no objection in relation to paragraphs 6.4.1(a) and 6.4.1(b) above. Furthermore, the Acquirer has, by way of a letter dated June 6, 2012, provided certain clarifications, as sought by the RBI. The approval and no objection of the RBI is currently awaited.

(b) The Acquirer has filed a notification with the CCI on June 7, 2012, seeking its approval for the acquisition of the Sale Shares pursuant to the SPA and the acquisition of the Equity Shares pursuant to this Offer. Furthermore, the Acquirer has, by way of a letter dated June 28, 2012, provided additional information/documents, as sought by the CCI. The approval of the CCI is currently awaited.

6.4.3 To the best knowledge and belief of the Acquirer as of the date of this Letter of Offer, there are no other statutory approvals required to implement this Offer other than those mentioned above. If any other statutory approvals are required or become applicable prior to completion of this Offer, this Offer would also be subject to the receipt of such other statutory approvals.

6.4.4 Pursuant to Regulation 23 of the SEBI (SAST) Regulations, this Offer shall be withdrawn in the event of (a) Refusal of Statutory Approvals; or (b) Non-Satisfaction of SPA Conditions, and the SPA is rescinded.

Accordingly, this Offer shall stand withdrawn in the event of Refusal of Statutory Approvals, Non-Satisfaction of SPA Conditions or in the event of a binding order of a court or governmental authority of competent jurisdiction directing the withdrawal of this Offer.

6.4.5 In terms of Regulation 18(11) the Acquirer shall be responsible to pursue all statutory approvals required by the Acquirer in order to complete this Offer without any default, neglect or delay.

6.4.6 Barring unforeseen circumstances beyond its control, the Acquirer would endeavour to obtain all such approvals and complete all procedures relating to this Offer within 10 working days from the date of closure of the Tendering Period. As of the date of this Letter of Offer, both the approval and no-objection certificate of the RBI and the CCI Approval are currently awaited. Furthermore, all the conditions of the SPA have not been satisfied. For further details in relation to the approval and no-objection certificate of the RBI, the CCI Approval and the status of satisfaction of the conditions of the SPA, please refer to paragraphs 6.4.2(a), 6.4.2(b) and 2.1.3(i), respectively, of this Letter of Offer. In case of non receipt of statutory approvals within time, SEBI has the power to grant, extension of time to the Acquirer for payment of consideration to the Equity Shareholders subject to Acquirer agreeing to pay interest as directed by SEBI.

6.4.7 Where any statutory approval extends to some but not all the Equity Shareholders, the Acquirer shall have the option to make payment to such Equity Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

7 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

7.1 ACCEPTANCE OF THE OFFER

7.1.1 Name and Address of the persons (Registrar to the Offer) to whom the Equity Shares along with documents required to be submitted therewith, should be sent.

Registrar to the Offer	Working Days and Timings	Mode of Delivery
TSR Darashaw Limited SEBI Regn. No. INR 000004009 6-10, Haji Moosa Patrawala Industrial Estate, Nr. Famous Studio, 20, Dr E Moses Road, Mahalaxmi Mumbai - 400 011 Tel: +91 22 66568484 Extn: 411/412/413 Fax: +91 22 66568494 Email id: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com	Monday to Friday 10.00 AM to 3.30 PM	By registered post / hand delivery

Registrar's collection centers in India are as follows:

Collection Centers and Address	Mode of Delivery	Phone No.	Fax No.
MUMBAI : TSR DARASHAW LIMITED 6-10, Haji Moosa Patrawala Industrial Estate Nr. Famous Studio, 20, Dr. E. Moses Road Mahalaxmi, Mumbai – 400011 Email: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com	Hand Delivery & Registered Post	+91-22-6656 8484 Extn: 411 /412/413	+91-22-6656 8494
BANGALORE : TSR DARASHAW LIMITED 503 Barton Centre, 5th Floor, 84, Mahatma Gandhi Road, Bangalore – 560001 Email: tsrdlbang@tsrdarashaw.com	Hand Delivery	+91-80-2532 0321	+91-80-2558 0019
KOLKATA : TSR DARASHAW LIMITED Tata Centre 1st Floor 43, Jawaharlal Nehru Road, Kolkata – 700071 Email: tsrdlcal@tsrdarashaw.com	Hand Delivery	+91-33-2288 3087	+91-33-22883062
NEW DELHI : TSR DARASHAW LIMITED Plot No 2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110002 Email: tsrdldel@tsrdarashaw.com	Hand Delivery	+91-11-2327 1805	+91-11-2327 1802
JAMSHEDPUR : TSR DARASHAW LIMITED Bungalow No. 1, 'E' Road, Northern Town, Bistpur, Jamshedpur – 831001 Email: tsrdljsr@tsrdarashaw.com	Hand Delivery	+91-657-2426 616	+91-657-2426 937
AHMEDABAD Shah Consultancy Services Ltd. 3, Sumantinath Complex, Pritam Nagar, Akhada Road, Ellisbridge Ahmedabad – 380006 Email: shahconsultancy8154@gmail.com	Hand Delivery	+91-79-2657 6038	+91-79-2657 6038

7.1.2 Equity Shareholders holding Equity Shares in physical form and wishing to tender their Equity Shares will be required to send their Form of Acceptance, original share certificates and valid share transfer deeds to the Registrar to the Offer: M/s. TSR Darashaw Limited either by hand delivery or by Registered Post, to reach them not later than 03.30 PM on the expiry of the Tendering Period, i.e. July 25, 2012 (Wednesday), in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance. In case the Share Certificate(s) and valid share transfer deeds are lodged with TCIL /its share transfer agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) the copy of share transfer deed(s) and (ii) the acknowledgement of the lodgement with, or receipt issued by TCIL/its share transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted attorney, a certified copy of the power of attorney shall also be lodged. In the case of a body corporate/limited company, a certified copy of the memorandum and articles of association, together with a certified true copy of the resolution along with the specimen signatures of the authorized signatories duly certified, shall also be sent.

7.1.3 Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares will be required to send their Form of Acceptance-cum-acknowledgement along with a photocopy of the delivery instructions in "Off–market" mode or counterfoil of the delivery instruction in "Off–market" mode, duly acknowledged by the Depository Participant in favour of the Special Depository Account opened by the Registrar to the Offer, in accordance with instructions specified in the Letter of Offer and in the Form of Acceptance-cum-acknowledgement. The credit for the delivered shares should be received in the Special Depository Account on or before the close of the Offer, i.e. July 25, 2012. In case of the non-receipt of the aforesaid documents, but receipt of shares in the Special Depository Account, this Offer shall be deemed to be accepted. The details of the Special Depository Account are given below:

DP Name	ICICI Bank Limited
DP ID	IN301348
Client Name	TSR Darashaw Limited Escrow A/c - Thomas Cook (India) Limited Open Offer
Client Id	20022869
Depository	National Securities Depository Limited

7.1.4 For the attention of beneficial owners holding Equity Shares in dematerialized form: Please note that the above account is maintained with (NSDL). Equity Shareholders having their beneficiary account with CDSL must use the inter depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.

7.1.5 The Acceptance Form along with Share Certificates/copy of delivery instruction to DP and other relevant documents shall be sent to the Registrar to the Offer only. The same shall not be sent to the Acquirer, PAC, Target Company or Manager to the Offer.

7.2 Procedure for acceptance of this Offer by Equity Shareholders/owners of Equity Shares who have sent Equity Shares for transfer or those who did not receive the Letter of Offer:

7.2.1 In case of non receipt of the Letter of Offer, beneficial owners holding Equity Shares in dematerialized form, may send their applications in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, DP name, DP ID, beneficiary account number and photocopy of the delivery instruction in "Off-market", or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Registrar to the Offer on or before the date of closure of the Offer. Also, alternatively, the Equity Shareholders may apply on the acceptance cum acknowledgement obtained from the website (www. sebi.gov.in).

7.2.2 In case of non-receipt of the Letter of Offer, the eligible person(s), holding Equity Shares of TCIL in physical form, may send his/her/their consent on plain paper stating the name, address, number of Equity Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the date of closure of the Offer. Also, alternatively, the Equity Shareholders may apply on the acceptance cum acknowledgement obtained from the website (www. sebi.gov.in).

7.2.3 No indemnity is required from persons not registered as Equity Shareholders.

7.2.4 In case the Share Certificate(s) and Transfer Deeds are lodged with TCIL /its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) the copy of Share Transfer Deed(s) and (ii) The acknowledgement of the lodgement with, or receipt issued by TCIL/its Share Transfer Agent, for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited company, a certified copy of the memorandum and articles of association together with a certified true copy of the resolution along with the specimen signatures of the authorized signatories duly certified, shall also be sent.

7.2.5 For Equity Shares held in physical mode by persons not registered as Equity Shareholders in the target company, such persons should enclose:

a) Form of Acceptance-cum-acknowledgement duly completed and signed in accordance with instructions contained therein, by all Equity Shareholders whose names appear on the share certificates;

b) Original Share Certificates;

c) Original broker contract note of a registered broker of a recognized stock exchange through whom the Equity Shares being tendered were acquired;

d) Valid share transfer deeds as received from the market. The details of the buyer should be left blank. If the details of buyer are filled in, the tender will not be valid under the Offer. All other requirements for valid transfer will be pre-conditions for acceptance; and

e) Self attested copy of the PAN card of the proposed transferee.

7.3 In case of rejection of Equity Shares tendered for any reason, the unaccepted Share Certificates, Transfer deeds and other documents, if any, will be returned by Registered Post at the Equity Shareholder's / unregistered holder's sole risk as per the details furnished in the form of acceptance-cum-acknowledgement. Equity Shares held in demat form, to the extent not accepted, will be returned to the beneficial owner, to the credit of the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner(s) in the form of acceptance cum acknowledgement.

7.4 The Share Certificate(s) and the transfer form(s), or Equity Shares transferred to the *Special Depository Account* together with the Acceptance Form submitted by the Equity Shareholders pursuant to the Offer, will be held by the Registrar to the Offer in trust for such Equity Shareholders until the Acquirer pays the Offer Price.

7.5 While tendering Equity Shares under this Offer, non-resident Equity Shareholders will be required to submit the previous approvals from the RBI (specific or general) that they would have obtained for acquiring the Equity Shares. In case the previous approvals from the RBI are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered.

7.6 Settlement / Payment of Consideration

7.6.1 The Acquirer shall arrange to pay the consideration payable to the Equity Shareholders whose Equity Shares have been accepted on or before Wednesday, August 8, 2012.

7.6.2 Equity Shareholders tendering their Equity Shares electronically are advised to immediately update with their Depository Participant, their bank account details, *i.e.* nine digit Magnetic Ink Character Recognition Code {MICR} as appearing on their cheque leaf as also their bank's Indian Financial System Code {IFSC}, which will get linked to their bank branch. Please note that failure to do so could result in delays in dispatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Equity Shareholder's sole risk and neither the Acquirer, the PAC, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate such Equity Shareholder for any losses caused due to any such delay or any interest for such delay.

Payment of consideration to the Equity Shareholders would be done through various modes in the following order of preference:

a) **Real Time Gross Settlement ("RTGS") / National Electronic Clearing Service ("NECS") / National Electronic Fund Transfer ("NEFT")** - Payment shall be undertaken through any of the above modes wherever the Equity Shareholder's bank has been assigned the IFSC, which can be linked to an MICR, if any, available to that particular bank branch or wherever the Equity Shareholders have registered their nine digit MICR number and their bank account number with their Depository Participant.

b) **Direct Credit** – Equity Shareholders having bank accounts with the Escrow Bank, as mentioned in the Acceptance cum Acknowledgement Form, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer.

c) For all other Equity Shareholders, including Equity Shareholders holding Equity Shares in physical from and those who have not updated their bank particulars with the MICR code, the payments will be dispatched through ordinary post for value up to ₹1,500 and through registered post for value above ₹1,500. Such payments will be made by cheques, pay orders or demand drafts drawn on the Escrow Bank and payable at par at places where acceptance forms are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Equity Shareholders.

Applicants to whom payments are made through electronic transfer of funds will be sent a letter (Payment advice) through ordinary post intimating them about the mode of credit / payment within 15 days from the date of closure of the Offer. The Registrar to the Offer shall ensure dispatch of consideration, if any, by RTGS / NECS / NEFT / Direct Credit / Cheques / Payorders / Demand Drafts only in the name of the sole or first Equity Shareholder and all communication will be addressed to the person whose name appears on Acceptance cum Acknowledgement Form within 15 days of the date of closure of the Offer and adequate funds for making payments as per the mode(s) disclosed above shall be made available to the Registrar by the Acquirer. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

7.6.3 As of the date of this Letter of Offer, both the approval and no-objection certificate of the RBI and the CCI Approval are currently awaited. For further details, please refer to paragraphs 6.4.2(a) and 6.4.2(b) of this Letter of Offer. In case of any delay in receipt of the approval or no-objection certificate of the RBI, the CCI Approval, or any other statutory approvals which may be required at a later date in relation to this Offer, SEBI has the power to grant extension of time for the purpose of making payment of the consideration to those Equity Shareholders, whose Equity Shares are accepted in this Offer in terms of Regulation 18(11) of the SEBI (SAST) Regulations.

8 COMPLIANCE WITH TAX REQUIREMENTS:

8.1. General

8.1.1. As per the provisions of Section 195(1) of the Income Tax Act any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable) at the applicable rate as per the Income Tax Act on any sum payable to such non-resident Equity Shareholder. The consideration received by the non-resident Equity Shareholders for the Equity Shares accepted in this Offer may be chargeable to tax in India either as capital gains under Section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances of the case. The Acquirer is required to deduct tax at source (including surcharge and education cess as applicable) at the applicable rate as per the Income Tax Act, on such consideration payable to such non-resident Equity Shareholder. Further, the Acquirer is required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on the payment of any interest (paid for delay in payment of the Offer Price) by Acquirer to a non-resident Equity Shareholder.

8.1.2. As per the provisions of Section 194A of the Income Tax Act, the payment of any interest by Acquirer to a resident Equity Shareholder is subject to deduction of tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such interest (paid for delay in payment of the Offer Price).

8.1.3. Each Equity Shareholder shall certify its tax residency status (i.e. whether resident or non-resident) and its tax status (i.e. whether individual, firm, company, association of persons/body of individuals, trust, any other taxable entity). In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, it would be assumed that the Equity Shareholder is a non-resident Equity Shareholder and taxes shall be deducted treating the Equity Shareholder as a non-resident and at the rate as may be applicable, under the Income Tax Act, to the relevant category to which the Equity Shareholder belongs, on the entire consideration and interest if any, payable to such Equity Shareholder.

8.1.4. Any non-resident Equity Shareholder claiming benefit under any DTAA between India and any other foreign country should furnish the Tax Residence Certificate ("**TRC**") provided to him/it by the income tax authority of such other foreign country of which he/it claims to be a tax resident, which has been inserted as a mandatory requirement by the Finance Act, 2012. Any Equity Shareholder claiming benefit under DTAA should submit along with the TRC, a certificate for deduction of tax at lower or nil rate from the income tax authorities and taxes would be deducted by the Acquirer in accordance with such certificate. In the absence of TRC and a certificate for deduction of tax at lower or nil rate obtained from income tax authorities, the taxes would be deducted at the rates (including surcharge and education cess as applicable) as dealt with in the following paragraphs 8.2 and 8.3 for each category of the Equity Shareholder(s).

8.1.5. All Equity Shareholders (including FIIs) are required to submit their PAN along with self attested copy of the PAN card for income-tax purposes. If not, the Acquirer will arrange to deduct tax at the rate of 20% as per Section 206AA of the Income Tax Act or at such tax rate (including surcharge and education cess as applicable), as dealt with in the paragraphs 8.2, 8.3 and 8.4 for each category of the Equity Shareholders, whichever is higher. The provisions of Section 206AA of the Income Tax Act would apply only where there is an obligation to deduct tax at source.

8.1.6. The Acquirer will not accept any request from any Equity Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower or nil rate, on the basis of any self computation/computation by any tax consultant, of capital gain or business income and/or interest, if any and tax payable thereon.

8.1.7. Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

8.1.8. The provisions contained in clause 8.1.3 to 8.1.5 above are subject to anything contrary contained in paragraphs 8.2 to 8.5 below.

8.2. Tax Implications in case of non-resident Equity Shareholders (other than FII)

8.2.1. In the case of non-resident Equity Shareholders (excluding FIIs), in order to claim the benefit of deduction of tax on net capital gains, as against the gross consideration, the shareholder should obtain a certificate from the appropriate income tax authorities certifying the net income chargeable to capital gains tax and the rate at which the taxes should be deducted by the Acquirer. The Acquirer will arrange to deduct taxes at source in accordance with such certificate. In the absence of such certificate, tax would be deducted at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross consideration payable to the Equity Shareholder, depending on whether the Equity Shareholder is an individual or a company etc.

8.2.2. Interest, if any, payable to all non-resident Equity Shareholders (excluding FII) on account of any delay in payment of the Offer Price by the Acquirer, would also be subjected to deduction of tax at source at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross interest payable to the Equity Shareholder, depending on whether the Equity Shareholder is an individual or a company etc. However, if the Equity Shareholder provides a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirer will arrange to deduct taxes at source in accordance with such certificate.

8.3. Tax Implications in case of FII Equity Shareholder

8.3.1. As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII, as defined in Section 115AD of the Income Tax Act. The Acquirer would not deduct at tax at source on the payments to FIIs, subject to the following conditions:

(i) FIIs are required to furnish the copy of the registration certificate issued by SEBI;

(ii) FIIs are required to certify the nature of their holding (i.e. whether held on capital account as investment or on trade account) of the Equity Shares. The benefits under Section 196D(2) are applicable in case the Equity Shares are held on capital account; and

(iii) FIIs shall also certify the nature of its income (i.e. whether capital gains or business income) on the sale of the Equity Shares. The benefits under Section 196D (2) of the Income Tax Act are applicable in case the nature of the FII's income is treated as capital gains.

8.3.2. If the above conditions are not satisfied, the Acquirer shall deduct tax at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross consideration payable to the Equity Shareholder, depending on whether the Equity Shareholder is a company or a trust.

8.3.3. If it is certified by the FII that Equity Shares are held on trade account, the Equity Shareholder should obtain a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities indicating the amount of income on which tax should be deducted and the applicable rate of tax. If such a certificate is provided, the Acquirer will arrange to deduct taxes at source in accordance with such certificate. In the absence of such a certificate, the Acquirer would deduct tax at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross consideration payable to the Equity Shareholder, depending on whether the Equity Shareholder is a company or a trust.

8.3.4. Interest payments by the Acquirer for delay in payment of the Offer Price, if any, would also be subjected to deduction of tax at source at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross interest payable to the Equity Shareholder, depending on whether the Equity Shareholder is a company or a trust. However, if the Equity Shareholder provides a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirer will arrange to deduct taxes at source in accordance with such certificate.

8.4. Tax Implications in case of resident Equity Shareholders

8.4.1. There would be no deduction of tax at source from the consideration payable in respect of the transfer of Equity Shares by a resident Equity Shareholder.

8.4.2. Interest payments by the Acquirer for delay in payment of the Offer Price, if any, would also be subjected to deduction of tax at source at the applicable tax rate (including surcharge and cess) under the Income Tax Act on the gross interest payable to the Equity Shareholder, depending on whether the Equity Shareholder is an individual or company or any other person. If the Equity Shareholder provides a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirer will arrange to deduct taxes at source in accordance with such certificate.

8.4.3. Notwithstanding anything contained in clause 8.4.2 above, no deduction of tax shall be made at source by the Acquirer where the total amount of interest payable to a resident Equity Shareholder does not exceed ₹5,000 or where a self declaration in Form 15G or Form 15H (as provided in the Income Tax Rules, 1962), as may be applicable, and duly executed, has been furnished to the Acquirer. The self declaration in Form 15G and Form 15H (as provided in the Income Tax Rules, 1962) will not be regarded as valid unless the resident Equity Shareholder furnished its PAN in such declaration.

8.5. Tax Implications in foreign jurisdictions

8.5.1. Apart from the above, the Acquirer are entitled to withhold tax in accordance with the tax laws applicable in overseas jurisdictions where the non-resident Equity Shareholder is a resident for tax purposes ("**Overseas Tax**"). For this purpose, the non-resident Equity Shareholder shall furnish a self declaration stating the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Equity Shareholder is a tax resident and the Acquirer will be entitled to rely on this representation at their sole discretion.

8.5.2. Notwithstanding the details given above, all payments will be made to Equity Shareholders subject to compliance with prevailing tax laws.

8.5.3. The tax deducted by the Acquirer while making payment to a Equity Shareholder may not be the final tax liability of such Equity Shareholder and shall in no way discharge the obligation of the Equity Shareholder to appropriately disclose.

9 DOCUMENTS FOR INSPECTION

9.1 Copies of the following documents will be available for inspection at the registered office of the Manager to the Offer at 1218, Maker Chambers V, Nariman Point, Mumbai – 400 021 (Tel: +91-22-66186633 / 6619 Fax: +91-22-22049195). The documents can be inspected during normal business hours (11.00 AM to 4.00 PM) on all working days (except Saturdays and Sundays) during the period from the date of this Letter of Offer, till date of expiry of the Tendering Period.

9.1.1 Certificate of Incorporation, and Constitution of Fairbridge Capital (Mauritius) Limited, the Acquirer.

9.1.2 Copy of certificate dated May 18, 2012, from Grant Thornton Limited Chartered Accountants, having its office at 09th Floor, Ebene Tower, 52, Cybercity, Ebene, Republic of Mauritius (Tel: +230-467 3001 Email ID: grant.thornton@gtmu.com), certifying the net worth of Fairbridge Capital (Mauritius) Limited as on April 30, 2012.

9.1.3 Copy of certificate dated May 22, 2012, from Mr. Nishit Dave (Membership No. 120073) Partner, Jayesh Dadia & Associates, Chartered Accountants, 422 Arun Chambers, Tardeo, Mumbai - 400 034 (Tel: +91-22-66602417 Fax: +91-22-66602418 E mail ID: info@jdaca.com), certifying that the Acquirer has adequate liquid resources to fulfill its obligations under this Offer.

9.1.4 The brief standalone financials of the Acquirer, which have been subjected to limited review by Grant Thornton, Chartered Accountants, from the date of incorporation to April 30, 2012.

9.1.5 Audited annual reports of Thomas Cook (India) Limited, the Target Company, for the last three years, i.e. the financial years ending December 31, 2009, 2010 and 2011.

9.1.6 Escrow agreement dated May 22, 2012 between Fairbridge Capital (Mauritius) Limited, ICICI Bank Limited and Pioneer Money Management Limited and a letter dated May 22, 2012 from ICICI Bank Limited confirming the amount kept in the escrow account and a lien in favour of the Manager.

9.1.7 Copy of the Agreement for the Sale and Purchase of the Share Capital of Thomas Cook (India) Limited dated May 21, 2012 entered into between the Acquirer, PAC 3, Sellers and Thomas Cook Group plc.

9.1.8 Client master copy of ICICI Bank Limited - DP, relating to the Special Depository Account opened by the Registrar to the Offer.

9.1.9 Copy of the agreement between the Registrar and the Acquirer for the open offer.

9.1.10 Copy of the Public Announcement submitted to BSE and NSE on May 21, 2012

9.1.11 Published copy of the Detailed Public Statement, published on behalf of the Acquirer on May 28, 2012

9.1.12 Published copy of the Offer Opening Public Announcement

9.1.13 Published copy of the recommendation made by the committee of the independent directors of the Target Company

9.1.14 Due diligence certificate dated June 04, 2012, submitted to SEBI by Pioneer Money Management Limited, Manager to the Offer.

9.1.15 SEBI Observation letter No. CFD/DCR/TO/SA/OW/14036/12 dated June 26, 2012 on the Draft Letter of Offer.

10 DECLARATION BY THE ACQUIRER AND PAC

Unless stated otherwise, the Acquirer accepts full responsibility for the information contained in the Letter of Offer.

The Acquirer and PAC shall be jointly and severally responsible for ensuring fulfillment of their respective obligations under the SEBI (SAST) Regulations.

For and on behalf of the Acquirer

Sd/-

____

(Authorised signatory)

For and on behalf of PAC 1

Sd/-

____

(Authorised signatory)

For and on behalf of PAC 2

Sd/-

____

(Authorised signatory)

For and on behalf of PAC 3

Sd/-

____

(Authorised signatory)

Place: Mauritius

Date: July 3, 2012

Encl.:

1. Form of Acceptance cum Acknowledgement
2. Share Transfer Form (only to Equity Shareholders holding Equity Shares in physical form)

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I/We hold the following Equity Shares of **Thomas Cook (India) Limited** in dematerialized form and accept the Offer and enclose a photocopy of the Delivery instruction(s) slips duly acknowledged by the DP in respect of my/our Equity Shares.
I/We have done an off market transaction for crediting the Shares to the Special Depository Account noted below:

DP Name	ICICI Bank Limited
DP ID	IN301348
Client Name	TSR Darashaw Limited Escrow A/c - Thomas Cook (India) Limited Open Offer
Client Id	20022869
Depository	National Securities Depository Limited

For the attention of Beneficial Owners holding Shares in dematerialized form: Please note that the above account is maintained with National Securities Depository Limited (NSDL) Shareholders having their beneficiary account with Central Depository Services (India) Limited (CDSL) must use the inter depository delivery instruction slip for the purpose of crediting their shares in favor of the Special Depository Account with NSDL.

I/We note and understand that the Equity Shares transferred to the above Special Depository Account will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures.

I/We confirm that the Equity Shares of Thomas Cook (India) Limited, which are transferred by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the Equity Shares so offered, which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, Share certificate(s) in respect of which the Offer is not found valid /not accepted, specifying the reasons thereof. I/We authorize the Acquirer or the Manager to the Offer or the Registrar to the Offer to send, by registered post/ordinary post, the payment/payment advice as the case may be, in settlement of the amount to the sole/first holder at the address mentioned below:

Name	
Address	
Pin Code	

The permanent Account No. (PAN/GIR No.) Allotted under the Income Tax Act 1961 is as under

	PAN / GIR No.
1st Shareholder	
2nd Shareholder	
3rd Shareholder	
4th Shareholder	

Yours faithfully

Signed and delivered

	Full Name	**Holder's Signature**
Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place : ___________

Date : ___________

So as to avoid fraudulent encashment in transit, and also to enable payment through NECS/RTGS etc, the applicants are requested to provide details of Bank account of the sole/first Shareholder.

Name of the Bank	
Full address of the Branch	
Nature of Account	
Account Number	
Payment through RTGS	
IFSC Code of the Branch	
MICR Code of the Branch	

Note: All future correspondence, if any, should be addressed to the Registrar to the Offer, at the following address:

TSR Darashaw Limited
Unit - TCIL Open Offer
6-10, Haji Moosa Patrawala Industrial Estate, Nr. Famous Studio,
20, Dr E Moses Road, Mahalaxmi, Mumbai - 400 011
Tel: +91-22-66568484 Extn.: 411/412/413
Fax: +91-22-66568494 Email id: csg-unit@tsrdarashaw.com

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer)

Date of commencement of Tendering Period	July 12, 2012
Date of expiry of Tendering Period	July 25, 2012

From:

Name and address of Equity Shareholder/Beneficiary owner

To

TSR Darashaw Limited
Unit: TCIL – Open Offer

Dear Sir,

Sub: OPEN OFFER FOR ACQUISITION OF UP TO 5,20,93,447 EQUITY SHARES REPRESENTING 24.17% OF THE PAID UP EQUITY SHARE CAPITAL OF TCIL ASSUMING FULL EXERCISE OF ELIGIBLE EMPLOYEE STOCK OPTIONS AS ON OR PRIOR TO AUGUST 8, 2012, FROM EQUITY SHAREHOLDERS OF THOMAS COOK (INDIA) LIMITED (TCIL), (THE TARGET COMPANY) BY FAIRBRIDGE CAPITAL (MAURITIUS) LIMITED (ACQUIRER), ALONG WITH FAIRFAX BARDADOS INTERNATIONAL CORP., FFHL GROUP LIMITED AND FAIRFAX FINANCIAL HOLDINGS LIMITED, ALL PERSONS ACTING IN CONCERT, (PAC)

I/We refer to the Letter of Offer dated July 3, 2012 for acquiring the Equity Shares held by me/us in **Thomas Cook (India) Limited**

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We, hold Equity Shares of **Thomas Cook (India) Limited** in physical form, accept the Offer and enclose the original Share certificate(s) and duly signed and valid transfer deed(s) in respect of my/our Equity Shares as detailed below:

(In the case of Equity Shares in Physical Form)

Sl. No	Ledger Folio No.	No. of Equity Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers	
					From	To

(In case of insufficient space, please attach a separate sheet.)

I/We confirm that the Equity Shares of **Thomas Cook (India) Limited** which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original Share certificate(s) and valid Share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will, subject to its right to withdraw this Offer, pay the consideration only after (i) verification of the documents and signatures; (ii) obtaining the necessary approvals as mentioned in the Letter of Offer; and (iii) satisfaction of the conditions of the SPA, as mentioned in the Letter of Offer, on or prior to August 22, 2012, pursuant to which the sale and purchase of the Sale Shares is consummated.

Acknowledgement Receipt

Received from Mr./Ms./M/s...…... Form of acceptance cum acknowledgement in connection with the Offer to Equity Shareholders of Thomas Cook (India) Limited

Ledger Folio No. _______________ No. of Share Certificates (______________)/Copy of Delivery instructions slips (______________) to DP for ___________Shares of **Thomas Cook (India) Limited**

Stamp of Registrar	In case of physical Equity Shares, verify the number of Share certificates / number of Equity Shares
	In case of dematerialized Equity Shares, ensure that copy of the delivery instruction to the DP and duly acknowledged by the DP is submitted with the tender / offer form.