

# HARNESSING TECHNOLOGY FOR BETTER CUSTOMER EXPERIENCE.

Annual Report 2016-2017



## BOARD OF DIRECTORS

Madhavan Menon, Chairman and Managing Director  
Harsha Raghavan, Non Executive Director  
Chandran Ratnaswami, Non Executive Director  
Kishori Udeshi, Non Executive Director – Independent  
Pravir Kumar Vohra, Non Executive Director – Independent  
Nilesh Vikamsey, Non Executive Director – Independent  
Sunil Mathur, Non Executive Director – Independent

## COMPANY SECRETARY

Amit J. Parekh –Company Secretary & Compliance Officer

## AUDITORS

Lovelock & Lewes

## PRINCIPAL BANKERS (in alphabetical order)

Axis Bank Limited  
Bank of America  
HDFC Bank Limited  
ICICI Bank Limited  
IDFC Bank Limited  
IndusInd Bank Limited  
Kotak Mahindra Bank Limited  
RBL Bank  
State Bank of India  
Yes Bank

## REGISTRARS & SHARE TRANSFER AGENTS

TSR Darashaw Limited,  
6-10, Haji Moosa Patrawala Indl. Estate  
20, Dr. E Moses Road, Mahalakshmi,  
Mumbai 400 011  
Tel: +91 22 6656 8484  
Fax: +91 22 6656 8494  
Email Id: csg-unit@tsrdarashaw.com  
Web-site: www.tsrdarashaw.com

## REGISTERED OFFICE

Thomas Cook (India) Limited  
CIN: L63040MH1978PLC020717  
Thomas Cook Building,  
Dr. D. N. Road, Fort,  
Mumbai – 400 001  
Tel: +91 22 4242 7000  
Fax: +91 22 2302 2864  
Email id: shareddept@in.thomascook.com  
Website: www.thomascook.in

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Members may please note that e-copy of annual report 2016-2017 is being sent to those shareholders whose email addresses are registered with their respective depositories and/or to those registered to receive e-copy of the Annual Report as part of green initiative undertaken by the Company. The same would also be available on the Company's website [www.thomascook.in](http://www.thomascook.in)



# BOARD OF DIRECTORS



## Bottom row from left to right

**Sunil Mathur**

*(Non Executive Director - Independent)*

**Madhavan Menon**

*(Chairman & Managing Director)*

**Kishori Udeshi**

*(Non Executive Director - Independent)*

## Top row from left to right

**Pravir Kumar Vohra**

*(Non Executive Director - Independent)*

**Nilesh Vikamsey**

*(Non Executive Director - Independent)*

**Chandran Ratnaswami**

*(Non Executive Director)*

**Harsha Raghavan**

*(Non Executive Director)*





# GROUP MANAGEMENT



**Madhavan Menon**  
Thomas Cook (India) Limited  
Chairman &  
Managing Director



**Dipak Deva**  
Travel Corporation (India) Limited  
Managing Director



**Vishal Suri**  
SOTC Travel Services Private Limited  
Managing Director



**Mahesh Iyer**  
Thomas Cook (India) Limited  
Chief Executive Officer



**Maria Ng**  
Travel Circle International Limited,  
Hongkong  
Managing Director



**Mona Cheriyan**  
Thomas Cook (India) Limited  
President & Group Head  
Human Resources



**Rambhau. R. Kenkare**  
Thomas Cook (India) Limited  
President & Group Head Legal,  
Secretarial & Administration



**Debasis Nandy**  
Thomas Cook (India) Limited  
Chief Financial Officer &  
President - Commercial



**Chaminda Dias**  
Luxe Asia (Private) Limited,  
Srilanka  
Managing Director



**Mohinder Dyal**  
Thomas Cook (Mauritius)  
Operations Company Limited  
Chief Operating Officer



**Amit Madhan**  
Thomas Cook (India) Limited  
President & Group Head Technology &  
Shared Services



**Abraham Alapatt**  
Thomas Cook (India) Limited  
President & Group Head  
Marketing, Service Quality,  
Financial Services & Innovation



# Travel Smart. Travel Cashless.



## Welcome to the new Thomas Cook Travel Prepaid Card, the chip & PIN protected prepaid foreign exchange travel card.

5 years ago Thomas Cook started on an ambitious journey by becoming India's first non banking entity to issue its own prepaid travel card. We have since clocked over US\$ 1.1 Billion in sales with 3 Lakh customers. The business has more than doubled in volumes since 2013. Today we embark on the second phase of this journey!

Presenting the next generation of the Borderless Prepaid Card in partnership with Euronet & MasterCard with cutting edge & best-in-class functionalities

### Key Features:

**For the Cardholder:** SMS & email alerts, Self selection of ATM Pin, Mobile app.

**For the Corporate:** Customized pricing options, Real time MIS, Corporate admin log-in.

**Walk in to the  
nearest store**

Call toll-free  
**1800 2099 100**

Book online  
**thomascook.in**

# Gift a travel experience to your loved ones



Gifting is one of the most important traditions of our lives. A gift which translates into a lifetime of beautiful memories is the best possible one! A dream holiday is one such gift. Send your loved ones to their favourite destination, with Thomas Cook Travel and Holiday card - an ideal choice for any occasion!

## Unique Features of the Gift Card

Book international or domestic holidays

Hotel accommodation anywhere in the world

Gifting option ranging from ₹1,000 - ₹50,000

## Safe and Secure

- 🔒 Security is ensured by usage exclusive to Thomas Cook India outlets or online via thomascook.in
- 🔒 Pin protected
- 🔒 Block card in case of loss

**Walk in to the nearest store**

Call toll-free  
**1800 2099 100**

Book online  
**thomascook.in**

Note: Foreign Exchange cannot be redeemed against the card as per RBI guidelines.



# Directors' Report

## To the Members,

Your Directors have pleasure in presenting the Fortieth Annual Report, together with audited financial statements for the financial year ended on 31st March, 2017.

## OVERVIEW

Travel and tourism has now become the largest civilian industry in the world. According to statistics, one out of every ten persons worldwide is part of the travel and tourism industry.

There have been changes in lifestyle, tastes, rising household incomes, which has had a positive effect and boost to the industry. The reach of the Internet has made it more convenient for customers with greater choices at competitive rates.

International traffic is expected to expand at 10-12% in 2017 and 2018, but bilateral restrictions may preclude achieving true potential. Most of the ten largest international carriers are achieving year-round average load factors of 90% or higher, indicating constrained capacity. As per The International Air Transport Association (IATA), the global passenger traffic rose by 6.3% for 2016 compared to 2015. This strong performance was well ahead of the ten-year average annual growth of 5.5% and capacity increasing by 6.2%. Air travel was a good news story in 2016. Connectivity increased with the establishment of more than 700 new routes. Fall in average return fares helped to make air travel even more accessible. As a result, a record 3.7 billion passengers flew to their destinations. Demand for air travel is still expanding. The challenge for governments is to work with the industry to meet that demand with infrastructure that can accommodate the growth, regulation that facilitates growth and taxes that don't choke the growth. *(Source: IATA Passenger Traffic Results, 2016)*

Asia has become the epicenter of growth for business travel. The region is already the world's largest market, accounting for more than a third of US\$ 1 trillion in annual spending globally, and growth over the next few years is expected to dwarf that of other markets. By one estimate between 2014 and 2018, business travel spending in Asia is projected to grow four times as fast as in North America and more than twice as fast as in Europe. *(Source: Asia Business Travellers – McKinsey Report, 2015)*

Travel and tourism is one of the largest service industries in India. It has tremendous potential as one of its key contributors to growth of the nation. India has emerged as the world's fastest-growing outbound market and in absolute numbers it is second only to China.

The year 2016-17 was definitely a year full of action, from Brexit, to Demonetization, stringent Visa policies by certain countries etc. Despite the sluggish global economy, poor customer sentiment and a challenging geo-political environment buffeted by terrorist attacks, travel bans etc., the Indian outbound, inbound and domestic tourism markets remained resilient. Given the challenges and economic environment, the year saw a strong performance across the Company's portfolio.

Your Company has moved rapidly in strengthening the online business over the last few years which currently contributes approximately 17% of the overall Leisure Travel business - uniquely positioning it in the industry with a versatile hybrid model with a well-spread store network and a very robust online business model, both of which, acquire and service offline and online customers.

Acquiring or reaching out to customers online has also helped us in reducing our cost of acquisition, while giving customers a seamless experience across all channels, resulting in improved customer satisfaction.

With an intent to building an annual property, we also introduced a mega promotional campaign called the GRAND INDIAN HOLIDAY SALE which customers could look forward to as it gave them unbeatable offers nudging them to take up a holiday. It was a 10-day sale across online and offline channels, backed by promotions across Print, Outdoor & Digital, which saw a close to 100% surge in online traffic and walk-ins at the stores during the campaign period.

## EXPANDING NETWORK

As of 31st March, 2017, your Company, along with its subsidiaries, continues to be amongst the largest integrated travel groups in India. Your Company (exclusive of its subsidiaries) operates through 261 locations in 102 cities, 81 PSAs and 96 Gold Circle Partner outlets to have a wider spread and network across the country.

Your Company also has presence in countries outside India through its branches/ representative offices in USA (New York), Spain (Barcelona), UK (London), Japan (Tokyo & Osaka), China (Beijing), Hungary, Finland, Portugal, Italy, Germany, Brazil, Ukraine, Russia, Australia, Nepal, Bhutan and France (Paris) apart from its subsidiaries in Mauritius, Sri Lanka, Singapore and China (Hong Kong).

## SUBSIDIARIES – KEY UPDATES & PERFORMANCE HIGHLIGHTS:

**Quess Corp Limited (Quess)**, a subsidiary of your Company, reported an excellent growth in its operations and revenues. Quess went public on 12th July, 2016, raising ₹ 4,000 million through a fully primary equity issuance in India's most successful IPO in terms of oversubscription (147 times) over the past 5 years. Quess saw Gross revenue up 21% from ₹ 34.3 Bn during the 12 month period ended 31st March, 2016 to ₹ 41.5 Bn for the 12 month period ended 31st March, 2017.

**Sterling Holiday Resorts Limited (formerly known as Thomas Cook Insurance Services (India) Limited) (Sterling)** undertook an extensive restructuring exercise, including a series of initiatives across business lines and subsidiaries. These long term measures are key components of the Group's plan to focus on sustainable long term growth. Sterling, has acquired a 100% stake in Nature Trails Resorts Private Limited on 15th March, 2016 as part of the expansion plan. The company's operating income grew by 12% from ₹ 2.2 Bn in FY 2015-16 to ₹ 2.5 Bn in FY 2016-17.

**SOTC Travel Services Private Limited (formerly known as Kuoni Travel (India) Private Limited) (SOTC)** grew its operational revenue for FY 2016-17 by 6% over FY 2015-16. Pursuant to the Order of NCLT, the Outbound Business Division of SOTC would be transferred to SOTC Travel Private Limited and the residual SOTC, which includes Leisure Inbound Business Division would thereafter be amalgamated with Travel Corporation (India) Limited. This scheme will become effective on completion of regulatory submissions.

**Travel Corporation (India) Limited (TCI)** is India's premier Destination Management Company with an impeccable record in all aspects of leisure inbound travel business in India, Sri Lanka, Nepal and Mauritius. Revenue from Operations has grown by 21.72% from ₹ 1.6 Bn in 2015-16 to ₹ 1.9 Bn in 2016-17. Pursuant to the Order of NCLT, the Outbound Business Division of SOTC would be transferred to SOTC Travel Private Limited and the

residual SOTC, which includes Leisure Inbound Business Division would thereafter be amalgamated with TCI. This scheme will become effective on completion of regulatory submissions.

**Travel Circle International Limited** (formerly known as Luxe Asia Travel (China) Limited) acquired 100% stake in Travel Circle International Services Limited [formerly known as Kuoni Travel (China) Limited] is a premium outbound travel operator in Hong Kong. During the year, vertical amalgamation between Travel Circle International Limited and Travel Circle International Services Limited has become effective from 13th December, 2016. Revenue for FY 2016-17 stood at ₹ 4.7 Bn. Since the company was amalgamated during the year, prior period figures are not comparable.

**Thomas Cook Lanka (Private) Limited:** The total income for FY 2016-17 reduced by 10% from ₹ 113.9 mn in FY 2015-16 to ₹ 102.3 mn due to increased costs and taxes.

**Thomas Cook Mauritius:** This financial year has seen good growth in foreign exchange operations. The Mauritius unit of Thomas Cook went ahead with an aggressive market strategy coupled with efficient management of costs exercise undertaken and the results could be visible in the form of increased profitability of the Company to the tune of 500%. The total income in FY 2016-17 increased by 22.9% to ₹ 116.7 mn from ₹ 95.0 mn in FY 2015-16.

## THOMAS COOK (INDIA) LIMITED

### Operations and Key Updates

Despite numerous geo-political and related challenges for our core Travel and Forex businesses, the Group's strong performance for the year, gives us further conviction that our strategy of organic and inorganic growth backed by the twin enablers of technology and innovation are working well. The synergistic advantages we had foreseen from our acquisition of SOTC, SITA and Kuoni Hong Kong in 2015 are also well on track to deliver.

### PERFORMANCE HIGHLIGHTS:

#### Group Consolidated:

- Total Income increase of 41% from ₹ 61.6 Bn. to ₹ 86.8 Bn.
- PBT (before exceptional items) increased by 101.9% from ₹ 947.7 Mn. to ₹ 1,913.7 Mn.
- Book value increased from ₹ 36.91 / share to ₹ 49.11 / share (33% growth)

#### Group Travel Services:

- Operating Revenue from Travel businesses up 79.7% from ₹ 21.8 Bn. to ₹ 39.1 Bn.
- EBITDA increased by 56.9% from ₹ 805.9 Mn. to ₹ 1264.9 Mn.

#### Standalone:

- Total income decreased by 0.86% from ₹ 17,538.9 Mn to ₹ 17,388.0 Mn
- Profit/ (Loss) before tax decreased from ₹ 73.3 Mn. to ₹ (54.3) Mn.
- Profit/ (Loss) after tax decreased from ₹ 53.8 Mn. to ₹ (83.5) Mn.

### OUTBOUND TRAVEL

Your Company's Leisure Outbound business underwent a re-structuring exercise aimed at strengthening core functions of sales, products and operations. To drive customer centricity, verticalization of the businesses was initiated, with dedicated functional divisions created for Service Delivery and Tour Operations Management. This restructuring was aimed at building a sound Omni Channel, hybrid model that embraces first

time customers seeking physical interactions, hand holding and support as well as the growing base of digitally empowered Indian consumers by delivering a seamless experience across its large and strong physical network of branches and franchisees across the country, as well as its rapidly growing E Commerce vertical, [www.thomascook.in](http://www.thomascook.in) that accounts for over 17% of its overall travel business.

Our physical network has been digitally empowered too with tablets and applications that allow sales staff to take the customer through a virtual walk through of the destinations and experiences that are on offer, check availability and book seamlessly.

On the Group Travel Front, we have introduced products targeting customers from various segments and regions of the country: Vegetarian Tours, Marathi Tours, Gujarati Tours, Festive Tours, Theme Parks Special for Children.

A paradigm shift in FIT products has been made in 2016 with new concepts launched including – 'Do it yourself' itineraries for experienced travellers, 'Family Getaways' with theme parks, 'Love Trails' for honeymooners, 'Go Beyond' with experiences beyond just sight-seeing, self-drive etc.

### E-COMMERCE

The online channel now caters to all travel needs of the discerning traveller, like International Holidays, India Holidays, Foreign Exchange, Visa, Flights, Hotels and Travel Insurance. Considering the next-gen mobile audience, Thomas Cook's E-Business had successfully launched innovative mobile applications i.e. the Forex App & the Holiday App. Its Forex and Holiday Apps has seen over 25% month over-month growths on downloads organically. Over 20% of sales of the online channel are contributed through Mobile web & apps. Your Company's belief and endeavor has been to give its customers a seamless omni-channel experience where the customer would get the same response to his sales or service queries and to achieve the same your Company has begun its journey in investing in the right technological innovations and enhancements.

This year, your Company took another leap and extended its line of "Simply" products (value for money products) to East Europe, Switzerland, France, Italy, Greece, Spain and many more destinations.

### FOREIGN EXCHANGE

Your Company is one of India's largest foreign exchange dealers in both the wholesale and retail segments of the market, by virtue of its extensive network as well as sales, and one of the few non-banking institutions to have been granted an AD-II licence by the Reserve Bank of India. Your Company handles around 1.3 million transactions annually and is one of the largest exporters of bank notes globally.

During financial year 2016-17, overall Foreign Exchange business volumes decreased by 2% as compared to previous year. In the year 2015-16 Rupee has witnessed downward spiral on account of Chinese Yuan devaluation and slid to its weakest in two years. However 2016-17 was definitely an eventful year with lots of action across the world. We had major events during this year including Brexit and the Demonetization. All of these events had a significant impact on the markets.

Getting a large countrywide channel partner on board, coupled with strong focus on high engagement social media platforms including Facebook, Whatsapp and Twitter, helped the student business grow by 20%. The leisure travel trends for both group and individual travel business decreased by 14%. The 'Maintenance of close relatives' category of outward remittance saw degrowth of 1% on account of stringent regulatory compliance. Encashments have decreased by 15% over last year majorly due to decrease in Airport encashment by 22% on account of changing economic environment due to demonetization.



Your Company further strengthened its Inward Remittance business, both from a penetration perspective as well as from a business growth perspective. According to the issue of the World Bank's 'Migration and Development Brief', released on 21st April, 2017, with remittance flow around US\$ 62.7 billion in 2016, India remained the world's largest recipient country.

Global remittances, which include those to high income countries, contracted by 1.2% to US\$ 575 billion in 2016, from US\$ 582 billion in 2015. Low oil prices and weak economic growth in the Gulf Cooperation Council (GCC) countries and the Russian Federation are taking a toll on remittance flows to South Asia and Central Asia, while weak growth in Europe has reduced flows to North Africa and Sub-Saharan Africa. "Remittances to India, the (South Asian) region's largest economy and the world's largest remittance recipient, decreased by 8.9% in 2016 to US\$ 62.7 billion. This marks the first decline in remittances since 2009," the World Bank report said. Your Company has degrown its inward remittance business by 16% over last year.

Your Company's own Multi Currency Prepaid Travel Card (Borderless Prepaid Card), launched in 2012 in association with MasterCard and Access Prepaid Worldwide, continued to grow at high double digit year on year growth rate. The Borderless Prepaid Card was loaded with US\$ 329 million for the period 1st April, 2016 till 31st March, 2017 with an average monthly load of US\$ 27 million. Over 260,000 cards have been sold since the launch of the product in 2012 with a total load volume of US\$ 1101 million.

To keep pace with the changing needs of the customers and to ensure seamless delivery, your Company invested in new technology in 2016-17, ensuring better response times, improved management reporting and reduction of effort for the employees. Your Company will continue to enhance its technological backbone with the objective of customer service and delivery.

In a bid to transform the payment-solutions space, your Company, in December 2015, announced the launch of the 'Thomas Cook One Currency Card' –India's first prepaid travel card with zero cross currency conversion charges, in collaboration with MasterCard Worldwide. The Thomas Cook One Currency Card empowers customers with its USP of a single load currency (US\$) and zero cross currency conversion charges, across the world.

Added benefits of the Thomas Cook One Currency Card include embedded chip and PIN security, locking of funds (to avoid cross currency fluctuations), instant loading, emergency cash disbursement, encashment of the residual balance or use for future travel, free replacement card in case stolen or lost and 24x7 global emergency assistance available via toll free access in over 80 countries global access via 2.2 million ATM's and 35.2 million merchant establishments in over 275 countries.

#### **FOREX ONLINE**

The commencement of Thomas Cook India's 'Buy Forex Online' services has empowered travellers to buy their foreign exchange and Forex related products like the Thomas Cook Borderless Multicurrency Prepaid Card in a safe environment, at the click of a button and also the added convenience of home delivery via our portal [www.thomascook.in](http://www.thomascook.in).

At a click of a button, Thomas Cook provides buy/sell Foreign Exchange along with the products associated with it like Borderless prepaid card & One Currency Card. You can buy/Sell Forex @ [thomascook.in](mailto:thomascook.in) and get a value added Service - free home delivery, rate alert option, & blocking rate by paying 4% advance amount. Forex transactions and sales through the online channel have grown by 48% and 35% respectively over the financial year 15-16.

#### **INBOUND TRAVEL**

The depreciated rupee made India an attractive tourist destination but inbound tourism did not grow as expected due to sluggish economic climate in source markets. Volatility in exchange rate, increasingly stringent compliance requirements, increasing competitive intensity, risk of obsolescence and adverse economic conditions are some key external factors that could impact the business adversely. Also, upward revision of rental costs of foreign exchange outlets at certain airports resulted in an overall reduction in margins in the retail foreign exchange business.

For over 50 years, Travel Corporation (India) Limited (TCI) has perfected the art of making the entire travel experience memorable. TCI is India's premier Destination Management Company with an impeccable record in all aspects of leisure inbound travel business in India, Sri Lanka, Nepal and Mauritius.

Post the acquisition of SOTC Travel Services Private Limited (formerly Kuoni Travel (India) Private Limited), its inbound division (KDM/ SITA) would add value and growth opportunities for this segment.

#### **DOMESTIC**

Domestic Travel at Thomas Cook India grew steadily on the back of a strong focus on product development and innovation. The strategy to introduce to the market other Himalayan destinations and experiences resulted in destinations like Bhutan, North East and Himachal Pradesh picking up and surpassing the booking numbers over last two year by over 55%. Strong and consistent destination with bigger potential for future too, still continues to grow upward with over 50% growth in booking in destinations like Andaman, Kerala and Ladakh. Government initiatives like "The UDAN scheme and will fuel growth of travel industry and make air travel more affordable for people in tier 2 and 3 towns as well.

This scheme increase regional air connectivity and grow demand for domestic holidays with the coming up of new airports and air strips.

Pilgrimage journeys in the form of special interest market has also picked up in demand for the travelers all across India, destination and their related products like Kailash Mansarovar Yatra and char dham yatra have clocked some very positive numbers, we see a large potential for growth emerging in the near future in this section of the market.

#### **CORPORATE TRAVEL**

Your Company is seeing an increasing trend of corporate customers seeking to utilize our Online Booking Tool, rather than providing their booking requests offline through other means. They are realizing the benefits that the online tool can drive, which are related to policy compliance, cost savings and optimizing travel spend. With a buoyant business sentiment, corporates while exercising prudence and seeking to extract the maximum out of their travel budgets, have not put any restraints on cutting down of official travel, and trends continue to look positive.

#### **MICE**

MICE offers a potential for high revenue earning with limited resources. Business saw an upswing in financial year 2016-17 and took advantage of currency stabilization, tapping the demand for new destinations & experiential products. However, stringent visa policies in other destinations created a challenge. Despite intense competition amongst large and small players in the sector, MICE business has registered significant top line growth on the back of strong relationships with several corporate houses, by tapping new markets and clients. Focus on Domestic market resulted in strong growth in this space.

## VISAS

TC Visa Services (India) Ltd. has exhibited both qualitative and quantitative growth in the year 2016-17. With around 2 million transactions for the year in 2016 observed a growth of 10% in direct business through and walk-in applicants and is growing at a steady pace capturing and setting a strong foot in the Visa business. Apart from catering to the Travel Businesses of your Company and adding direct external customers for their visa, passport business, it also serves ancillary transactions [Attestations, Legalization, Apostille, Translation, Notarization of documents, Foreigners Regional Registration Office (FRRO) registration/ visa extension/ exit permit, procures People of Indian Origin (PIO) / Overseas Citizen of India (OCI) cards].

## VISA ONLINE

Thomas Cook has launched Visa online - the first visa application online platform in India. A comprehensive solution for all your Visa needs. Detailed visa information includes visa requirements per destination, downloadable visa forms, consulate addresses and timings, processing duration, and visa costs. Visa transactions and sales through the online channel have grown by 110% and 105% respectively in FY 2016-17 over FY 2015-16.

Your Company has launched services of booking Visa requests online on the Thomas Cook portal and through the call centre, which adds to the ease of the services provided to the travellers and growth of standalone Visa requests.

## TRAVEL INSURANCE

Given the broad base of the discerning Thomas Cook customers who rely on Thomas Cook for end to end travel services, your Company offers both, domestic as well as overseas travel insurance. Your Company continues its focus on Travel Insurance with the strategy of being a complete travel solutions provider and to ensure that the customer is advised and educated about the benefits of travel insurance. Your Company tries to understand the specific needs of the customers and the business segments and offers the best product to suit their requirements.

Your Company has actively engaged with all the other lines of businesses like Leisure Travel, Foreign Exchange, MICE, Corporate Travel, VISA etc. by ways of regular training programs and deeper interactions to offer the products to their specific set of customers. This has helped in improving the penetration of insurance in every business, garnering higher share of customer wallet and building customer loyalty. With technology being the main driver, your Company continuously works towards making the process seamless and easy for its customers.

## CENTRE OF LEARNING

Your Company's unique initiative to proactively facilitate talent management and to grow, harness and nurture the skill sets required for the Tourism and Travel Industry - Centre of Learning serves as a guide and mentor to the travel industry via several forums, industry meets and associated education programs like: Certificate Course in World Tour Management, Certificate Course in Travel & Tourism Management, IATA – Foundation/ Consultant Course, Travel Professional Program.

## DIVIDEND

### Equity Shares

The Directors recommend dividend for approval of the members on Equity shares @ 37.5% (i.e. ₹ 0.375 per equity share of ₹ 1/- each) for the financial year ended 31st March, 2017.

The proposed dividend on the equity share capital will absorb ₹ 137.53 million for dividend and ₹ 28 million for Dividend Tax. The Board

seeks approval of the shareholders for the dividend recommended on the equity share capital as will be outstanding on the date of book closure/ record date.

### Non Convertible Cumulative Redeemable Preference Shares (NCCRPS)

Pursuant to the terms of issue of NCCRPS, dividend on 125000000 NCCRPS of ₹ 10/- each @ 8.5% (i.e. ₹ 0.85 per NCCRPS) will be paid by the Company to the respective NCCRPS holders.

The dividend on the NCCRPS will absorb ₹ 106.54 million for dividend and ₹ 21.69 million for Dividend Tax.

For the purpose of Indian Accounting Standard (Ind-AS) NCCRPS is considered as debt and consequently its dividend is classified under finance cost.

## RESERVES

### Debenture Redemption Reserve

As per the requirements, your Directors have resolved to transfer ₹ 102.78 million to Debenture Redemption Reserve. The Company has transferred ₹ 83.33 million during the year from Debenture Redemption Reserve to General Reserve. The total Debenture Redemption Reserve stands at ₹ 253.36 million as on 31st March, 2017.

### Capital Redemption Reserve

Your Directors have resolved to transfer ₹ 178.57 million to Capital Redemption Reserve. The total Capital Redemption Reserve stands at ₹ 238.10 million as on 31st March, 2017.

### General Reserve

The Company has transferred ₹ 83.33 million during the year from Debenture Redemption Reserve to General Reserve. The total General Reserve stands at ₹ 436.97 million as on 31st March, 2017.

## PROMOTERS

### Fairfax Financial Holdings Limited

The promoter of your Company, Fairbridge Capital (Mauritius) Limited ("FCML") is a 100% step down subsidiary of Fairfax Financial Holdings Limited ("Fairfax"), Canada.

Fairfax is a holding company which, through its subsidiaries, is engaged in property, casualty insurance, reinsurance and investment management. Fairfax was founded in 1985 by the present Chairman and Chief Executive Officer, Mr. Prem Watsa. The Company has been under present management since 1985 and is headquartered in Toronto, Canada. Its common shares are listed on the Toronto Stock Exchange. Fairfax's corporate objective is to achieve a high rate of return on invested capital and build long-term shareholder value. Over the past 31 years, Fairfax has demonstrated a strong financial track record to achieve an annual compounded appreciation in book value per share of 19.4% and currently has over \$ 43.3 billion in consolidated assets.

Thomas Cook (India) Limited is a part of the Fairfax group. As of date hereof, the promoter holds 67.65% of the total paid up equity share capital of the Company.

## PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

Your Company being in the Travel and Tourism Industry, its activities do not involve any expenditure on Technology and Research and Development therefore, the particulars in the Companies (Accounts) Rules, 2014, as amended, in respect of Conservation of Energy and Technology Absorption are not required to be submitted.



During the financial year, the foreign exchange earnings of your Company amounted to ₹ 333.24 million, whereas, your Company has incurred ₹ 125.43 million as expenditure in foreign currencies towards interest, bank charges, license fees, professional fees, travelling, subscriptions etc.

#### **DEPOSITS UNDER CHAPTER V OF COMPANIES ACT, 2013**

During the financial year, the Company has not accepted any deposits within the meaning of Section 73 & 76 of the Companies Act, 2013, read with the Rules made thereunder, and as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the financial year, all the transactions with related parties were in the ordinary course of business and on an arm's length basis; and there were no material contracts or arrangements or transactions at arm's length basis or otherwise and thus disclosure in Form AOC-2 is not required.

#### **DETAILS OF FRAUDS REPORTED BY AUDITORS**

There were no frauds reported by the Statutory Auditors under provisions of Section 143(12) of the Companies Act, 2013 and the Rules made thereunder.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of Loans, Guarantees and Investments form part of the notes to the financial statements provided in the Annual Report.

#### **REDEMPTION OF NON CONVERTIBLE DEBENTURES**

The Company had issued and allotted 10.52% 1000 Unsecured Redeemable Non Convertible Debentures ('NCDs') of ₹ 10 lakh each, aggregating to ₹ 100 Crores on private placement basis during the financial year 2013. Out of total 1000 Non Convertible Debentures amounting to ₹ 100 Crores, 333 Non Convertible Debentures were redeemed on 15th April, 2016 (under Tranche I) and 333 Non Convertible Debentures were redeemed on 15th April, 2017 (under Tranche II) as per terms of issue in the prescribed manner.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed and there were no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2017 and of the loss of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **DIRECTORS**

##### **Re-appointment**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Rules made thereunder and Article 116 of the Articles of Association of the Company, Mr. Harsha Raghavan (DIN: 01761512) Non Executive Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Profile and other information of Mr. Harsha Raghavan, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 is given in the Corporate Governance Report of the Company which forms part of the Annual Report.

The above proposal for re-appointment forms part of the Notice of the 40th Annual General Meeting and the relevant Resolution is recommended for your approval therein.

##### **Declaration of Independence**

The Company has received necessary declarations from all the Independent Directors on the Board of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of the Board as a whole, various Committees, Directors individually and the Chairman.

The statement including the manner in which the evaluation exercise was conducted is included in the Corporate Governance Report of the Company, which forms part of the Annual Report.

##### **Number of Board Meetings during the financial year**

During the financial year, Five (5) meetings of the Board of Directors were held, the details of which are given in the Corporate Governance Report of the Company, which forms a part of the Annual Report.

##### **KEY MANAGERIAL PERSONNEL**

Mr. Mahesh Iyer, Chief Operating Officer of the Company was appointed as Chief Executive Officer of the Company w.e.f. 14th February, 2017.

The Nomination and Remuneration Committee, Audit Committee and Board of Directors at their meetings respectively held on 25th May, 2017 approved the appointment of Mr. Brijesh Modi as the Chief Financial Officer of the Company w.e.f. 1st June, 2017 in place of Mr. Debasis Nandy, Chief Financial Officer & President – Commercial who was proposed to be elevated to the position of President & Group Chief Financial Officer of Thomas Cook Group w.e.f. 1st June, 2017.

## AUDITORS

### Statutory Auditors

Lovelock & Lewes, Chartered Accountants, Firm Registration No. 301056E were first appointed as Statutory Auditors at Company's Annual General Meeting (AGM) held on 15th May, 1997. Currently, they are holding office of the Auditors up to the conclusion of the 40th AGM.

As per the second proviso to Section 139(2) of the Companies Act, 2013 (the Act), a transition period of three years from the date of commencement of the Act is provided to appoint a new auditor if the existing auditor's firm has completed two terms of five consecutive years.

Accordingly, as per the said requirements of the Act, the Board and Audit Committee have proposed the appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W - 100022) as Statutory Auditors for a period of 5 years commencing from the conclusion of 40th AGM till the conclusion of the 45th AGM, subject to ratification by shareholders every year, in place of Lovelock & Lewes, Chartered Accountants. The first year of audit for B S R & Co. LLP will be of the financial statements for the financial year ended 31st March, 2018, which will include limited review of all the quarters of the said financial year. The Board expresses its appreciation to Lovelock & Lewes, Chartered Accountants for their services to the Company during their association with the Company.

B S R & Co. LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditor in terms of the provisions of Section 139 and Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended.

The Statutory Auditors Report does not contain any qualifications, reservations or adverse remarks on the financial statements of the Company. Further, your Company also obtained Statutory Auditors Report as per the requirement of circulars issued by Reserve Bank of India from time to time in relation to downstream investments.

### Secretarial Auditor

The Board of Directors have appointed Mr. Keyul M. Dedhia of Keyul M. Dedhia & Associates, Company Secretaries in Practice as the Secretarial Auditor of the Company under Section 204 of the Companies Act, 2013, for conducting the Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year 2016-17 does not contain any adverse remark, qualification or reservation which requires any explanation/comments by the Board. The Secretarial Audit Report is annexed as **Annexure 1** which forms part of this Report.

### Internal Auditor

During the financial year, Ms. Mou Sengupta, Chief Internal Auditor of the Company resigned from the services of the Company and in her place Mr. Aniruddha Chaudhuri was appointed as the Chief Internal Auditor of the Company w.e.f. 25th May, 2017.

## CORPORATE SOCIAL RESPONSIBILITY

### Corporate Social Responsibility (CSR) Committee:

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended, the Board of Directors have constituted a CSR Committee. The details of the Committee are provided in the Corporate Governance Report of the Company, which forms part of the Annual Report.

### CSR Policy:

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee is available on the website of the Company and can be accessed through the web link: <http://www.thomascook.in/tcportal/downloads/Corporate%20Social%20Responsibility%20Policy.pdf>.

### CSR initiatives undertaken during the financial year 2016-17:

During the financial year 2016-17, the Company has spent ₹ 99,40,266/- on CSR activities.

The Annual Report on CSR Activities undertaken by Company during the financial year 2016-17, is annexed as **Annexure 2** which forms part of this Report.

## COMMITTEES OF BOARD

The Board of Directors has constituted the following committees and the details pertaining to such committees are mentioned in the Corporate Governance Report of the Company, which forms part of the Annual Report.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Sub-Committee of the Board

## LISTING OF SECURITIES

The Company has its following Securities listed on the Stock Exchanges viz. BSE Limited and The National Stock Exchange of India Limited:

- Equity Shares
- Non Convertible Cumulative Redeemable Preference Shares ('NCCRPS')
- Non Convertible Debentures ('NCDs')

The Company has paid the Annual Listing Fees for the financial year under review for all securities to the Stock Exchanges.

## CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company continues to be committed to good corporate governance aligned with the best corporate practices. It has also complied with various standards set out by Securities and Exchange Board of India and the Stock Exchanges where it is listed. The Management Discussion and Analysis Report for the financial year 2016-17, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

For the financial year ended 31st March, 2017, your Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations with respect to Corporate Governance.

A certificate from a Practising Company Secretary obtained by the Company regarding such compliance of conditions of Corporate Governance is annexed to the Corporate Governance Report which forms part of the Annual Report.



## NOMINATION CUM REMUNERATION POLICY

For the purpose of selection of any Directors and Key Managerial Personnel, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel & Senior Management Employees. In compliance with the provisions of Section 178 of the Companies Act, 2013 the Nomination cum Remuneration Policy of the Company and Performance Criteria is annexed herewith as **Annexure 3** which forms part of this Report.

## VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees by adopting Whistle Blower Policy which is available on the website of the Company and weblink thereto is <http://www.thomascook.in/tcportal/downloads/Whistle%20Blower%20Policy.pdf>.

## MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the Report.

## RISK MANAGEMENT

The Company has adopted a Risk Management Policy which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company.

## EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended, extract of the Annual Return of the Company in the prescribed Form MGT-9 is annexed as **Annexure 4** to this Report.

## INCORPORATIONS/ ACQUISITIONS/ OTHER CHANGES

Your Company is committed to building long term shareholder value by growing the business organically and through acquisitions and alliances. The key considerations for making any acquisition are as under:

- Cash flow generating businesses with proven track records across business cycles.
  - Stable management teams who are aligned with our guiding principles and culture.
  - Fair and friendly transactions with full support of the existing management teams.
- I. Formation of Fairfax India Charitable Foundation for carrying out Corporate Social Responsibility (CSR) activities in which Thomas Cook (India) Limited is one of the settlors of the trust along with Travel Corporation (India) Limited, SOTC Travel Services Private Limited (formerly known as Kuoni Travel (India) Private Limited) and Fairbridge Capital Private Limited.
  - II. Thomas Cook (India) Limited acquired 10,000 equity shares of ₹ 10 each of SOTC Travel Private Limited (Formerly known as SITA Travels Private Limited).
  - III. Thomas Cook Lanka (Private) Limited, Wholly owned subsidiary of the Company entered into share purchase agreement for acquiring 24% of the issued, subscribed and paid up share capital of SITA World Travel Lanka Private Limited. The balance 76% held by SOTC Travel Services Private Limited (formerly known as Kuoni Travel (India) Private Limited).
  - IV. As Thomas Cook (Mauritius) Travel Limited was not undertaking any operations and as the management had no plans to undertake any business in the company going forward, the company was wound up w.e.f. 13th October, 2016.
  - V. Vertical amalgamation between Travel Circle International Limited (Formerly known as Luxe Asia Travel (China) Limited and Travel Circle International Services Limited (Formerly known as Kuoni Travel (China) Limited) w.e.f. 13th December, 2016.
  - VI. Approval of National Company Law Tribunal for merger of outbound business of SOTC Travel Services Private Limited (formerly known as Kuoni Travel (India) Private Limited) with SOTC Travel Private Limited (formerly known as SITA Travels Private Limited) and merger of residual business of SOTC Travel Services Private Limited, and 6 SITA Companies namely SITA Beach Resorts Private Limited, SITA Destination Management Private Limited, SITA Holidays (India) Private Limited, SITA Holidays Resorts Private Limited, SITA Incoming (India) Private Limited and Distant Frontiers Tours Private Limited merged with Travel Corporation (India) Limited.
  - VII. Acquisitions of facility management and catering businesses of Manipal Integrated Services Private Limited (yet to be completed), Comtel Solutions Pte Ltd (64% stake as on 31st March, 2017), Terrier Security Services (India) Private Ltd (49% stake as on 31st March, 2017) and Inticore VJP Advance Systems Private Limited (74% stake as on 31st March, 2017).
  - VIII. Investment in Simpliance Technologies Private Limited and Heptagon Technologies Private Limited by Qess Corp Limited.
  - IX. Travel Corporation (India) Limited and SOTC Travel Private Limited (formerly known as SITA Travels Private Limited), wholly owned subsidiaries of the Company, have entered into a definitive agreement to acquire identified Destination Management Specialists (DMS) of the Kuoni Group (located in 17 countries) from Kuoni Travel Investments Limited, Zurich, Switzerland and / or its affiliates. Said acquisition of all the DMS is on a going concern basis and that SOTC Travel Private Limited and Travel Corporation (India) Limited will acquire 100% stake in all the DMS (excluding those DMS where local regulations mandate local participation) except for USA, where an asset acquisition will be undertaken, subject to receiving necessary regulatory permissions.
  - X. Travel Corporation (India) Limited, wholly owned subsidiary of the Company has entered into a Joint Venture Agreement with DER Touristik Group to form a Joint Venture Company "TCI-Go Vacation India Private Limited" to be operational from Delhi NCR.

**COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE FINANCIAL YEAR**

During the financial year following Companies have become subsidiaries of the Company:

Sr. No.	Name	Subsidiary / Step down Subsidiary	Address	CIN
1.	CentreQ Business Services Private Limited	Step down Subsidiary	3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore-560103.	U72200KA2016PTC097679
2.	Dependo Logistics Solutions Private Limited	Step down Subsidiary	3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore-560103.	U63030KA2016PTC096361
3.	Excelus Learning Solutions Private Limited	Step down Subsidiary	3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore-560103.	U74999KA2016PTC097984
4.	Inticore VJP Advance Systems Private Limited	Step down Subsidiary	3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore-560103.	U33112KA2016PTC086889
5.	Comtel Solutions Pte. Ltd., Singapore	Step down Subsidiary	10, Hoe Chiang Road, #15-02 Keppel Towers, Singapore, 089315	N.A.
6.	Quess Corp Lanka (Private) Limited (formerly known as Randstad Lanka (Private) Limited)	Step down Subsidiary	7th Floor, BOC Merchant Tower, 28, St. Michael's Road, Colombo 03, Sri Lanka	N.A.

During the financial year following Companies have ceased to be subsidiaries of the Company:

Sr. No.	Name	Subsidiary / Step down Subsidiary	Address	CIN
1.	KAT Management Consulting (Shanghai) Co. Limited	Step down Subsidiary	RM A-509 Block 6, 613 Eshan Road, Pudong, Shanghai	N.A.
2.	Brainhunter Companies Canada, Inc.	Step down Subsidiary	2 Sheppard Avenue East, Suite 2000, Toronto, ON M2N 5Y7, Canada	N.A.
3.	Travel Circle International Services Limited (formerly known as Kuoni Travel (China) Limited)	Step down Subsidiary	30/F, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong	N.A.
4.	Thomas Cook (Mauritius) Travel Limited	Step down Subsidiary	Ground Floor, Anglo Mauritius House, 4 Intendance Street, Port Louis, Mauritius	N.A.

During the financial year under review there were following joint venture or associate companies:

Sr. No.	Name	Subsidiary / Step down Subsidiary	Address	CIN
1.	Terrier Security Services (India) Private Limited*	Associate Company	No. 583, Vyalikaval HBCS Layout, Nagawara, Veerannapalya Bangalore 560045	U74920KA2009PTC049810
2.	Simpliance Technologies Private Limited*	Associate Company	2nd Floor, AS Chambers, No.6 80 Feet Road, Koramangala Bangalore 560095	U72200KA2016PTC092594
3.	Himmer Industrial Services (M) Sdn. Bhd.*	Associate Company	17 – 11 Level 17 Q Central Jalan Stesen Sentral 50470 Kuala Lumpur	N.A.

\*Associate companies of Quess Corp Limited, a Subsidiary of the Company

**ALTERATION OF MEMORANDUM OF ASSOCIATION OF COMPANY**

During the financial year, after seeking necessary approval of shareholders in the Annual General Meeting of the Company held on 2nd September, 2016, Object Clause of Memorandum of Association was altered to widen the existing enabling clause which allows the Company to undertake necessary activities under Corporate Social Responsibility (CSR).

**AWARDS AND ACCOLADES**

Thomas Cook (India) Limited has been the recipient of the following prestigious awards and accolades during the financial year 2016-17:

- 1) The French Ambassador's Diamond Award for Exemplary Achievements in Visa Issuance 2016
- 2) Condé Nast Traveller Readers' Travel Awards 2016
- 3) Thomas Cook India's Centre of Learning has received IATA accreditation as Top 10 South Asia IATA Authorized Training Centers 2016

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Thomas Cook (India) Limited has Zero Tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women executive working in the Company. The Company's Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

Number of complaints pending as on the beginning of the financial year	Nil
Number complaints filed during the financial year	5
Number of complaints pending as on the end of the financial year	Nil

**INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The details on Internal Financial Control System and their adequacy are provided in the Management Discussion and Analysis Report of the Company, which forms part of the Annual Report.

## PARTICULARS OF EMPLOYEES

Disclosure with respect to the remuneration of Directors and Employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is annexed as **Annexure 5** which forms part of this Report.

Statement containing Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(2), Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of the Annual Report. As per the provisions of Section 136 of the Companies Act, 2013, the reports and Financial Statements are being sent to shareholders of the Company and other stakeholders entitled thereto, excluding the Statement containing Particulars of Employees. The copy of the said statement is available at the Registered Office of the Company during the business hours on any working day excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting. Any shareholder interested in obtaining such details may write to the Company Secretary and Compliance Officer of the Company. Further, the copies of the said statement shall also be available at the Annual General Meeting.

## EMPLOYEES STOCK OPTION PLANS (ESOPS)

With the objective of motivating and retaining key talent in the organisation and fostering ownership, your Company has framed the Thomas Cook Employees Stock Option Plan 2007 (ESOP 2007) and Thomas Cook Employees Stock Option Plan 2013 (ESOP 2013) and pursuant to the same, has granted stock options to its employees over the years.

The Company has also framed the Thomas Cook Save As You Earn Scheme 2010 (SAYE Scheme 2010) with similar objectives. SAYE Scheme 2010 allowed employees to save a part of their net pay every month which gets deposited with a bank in a recurring deposit account carrying fixed rate of interest.

During the financial year, 802868 options were approved for grant under the ESOP 2013. However, there were no options approved for grant under SAYE Scheme 2010 and ESOP 2007.

Pursuant to the Composite Scheme of Arrangement and Amalgamation between Sterling Holiday Resorts (India) Limited ("SHRIL"), Thomas Cook Insurance Services (India) Limited ("TCISIL") and Thomas Cook (India) Limited (the "Company" or "TCIL") approved by the Hon'ble High Courts of Madras and Bombay, 430326 employee stock options of TCIL were issued in lieu of outstanding employee stock options under SHRIL Employees Stock Option Scheme, 2012.

The Nomination & Remuneration Committee administers and monitors the ESOP Schemes. Disclosure on various Schemes, as required under SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular no. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 are available on the Company's website at [www.thomascook.in](http://www.thomascook.in).

No employee has received options equal to or exceeding 1% of the issued share capital of the Company at the time of grant during the financial year.

## SUBSIDIARY COMPANIES

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiary and associate companies, which forms part of the Annual Report. A statement containing salient features of the financial statements and other necessary information of the subsidiary companies in the format prescribed under Form AOC-1 is included in the Annual Report.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company at [www.thomascook.in](http://www.thomascook.in). Further, as per the fourth proviso of the said Section, Financial Statements of each of the subsidiary companies have also been placed on the website of the Company at [www.thomascook.in](http://www.thomascook.in). Accordingly, the said documents are not being attached to the Annual Report. Shareholders interested in obtaining a copy of the Audited Annual Financial Statements of the subsidiary companies may write to the Company Secretary and Compliance Officer.

As stipulated in the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting Standards.

## DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 500 listed companies were required to formulate a Dividend Distribution Policy. Accordingly, the Policy was formulated and the same approved by the Board of Directors, setting out the parameters and circumstances required to be taken into account for determining the distribution of dividend to its shareholders and/ or retaining profits earned by the Company. The Dividend Distribution Policy of the Company is annexed herewith as **Annexure 6** and is also available on the website of the Company at [www.thomascook.in](http://www.thomascook.in).

## BUSINESS RESPONSIBILITY REPORT

As required under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Business Responsibility Report describing the initiative taken by the Company from an environment, social and governance perspective, forms part of the Annual Report.

## DISCLOSURE REQUIREMENTS

The various policies and codes adopted by the Company are stated in detail in the Corporate Governance Report of the Company, which forms part of the Annual Report.

## ACKNOWLEDGEMENT AND APPRECIATION

Your Board takes this opportunity to thank the Company's Shareholders, Customers, Vendors and all other Stakeholders for their continued support throughout the financial year. Your Directors also thank the Reserve Bank of India and other Banks, Ministry of Tourism, Financial Institutions, Government of India, State Governments and all other Government agencies and Regulatory authorities for the support extended by them and also look forward to their continued support in future.

Your Board wishes to place on record its appreciation on the contribution made by the Company's employees across all levels without whose hard work, solidarity and support, your Company's consistent growth would not have been possible.

## FOR AND ON BEHALF OF THE BOARD

**Madhavan Menon**  
Chairman & Managing Director  
(DIN: 00008542)

Place: Mumbai  
Dated: 25th May, 2017



# Annexure to the Directors' Report

## ANNEXURE 1 : SECRETARIAL AUDIT REPORT

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

**Thomas Cook (India) Limited**

**Corporate Identification Number: L63040MH1978PLC020717**

Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai- 400 001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Thomas Cook (India) Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our limited verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with applicable regulatory authority(ies) and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2017 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2017, as per the provisions of:

- (i) The Companies Act, 2013 and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(to the extent applicable)**;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit period)**;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit period)**; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- (vi) We relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for the compliance of the following laws applicable specifically to the Company:
  1. The Passports Act, 1967 and applicable Rules thereto.
  2. IATA Guidelines for Agents.

We have also examined compliance with the applicable clauses of:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have no material observation or instances of non compliance in respect of the same.

**We further report that, during the Audit period:**

1. One of the designated employees of the Company had dealt in equity shares of the Company during non-transaction period notified as per the Company's Prevention of Insider Trading Code. The Company took necessary action in this regard as also informed SEBI of the said occurrence.
2. The Company has made an application to Central Government for waiver of excess remuneration paid to Mr. Madhavan Menon, Managing Director for the period from January 1, 2014 to March 31, 2015. In this regard, the Central Government vide its letter dated September 28, 2016, granted its approval for the payment of excess remuneration of ₹ 924,535/- to Mr. Madhavan Menon, Managing Director for the period from January 1, 2014 to March 31, 2014. The said letter further stated that the payment of remuneration of

₹ 3,88,58,811/- to Mr. Menon by the Company for the period from April 1, 2014 to March 31, 2015 is within the limit prescribed under the Companies Act, 2013 and thus approval of the Central Government for the said period is not required.

3. The Company has made an application to Central Government for Re-Appointment and payment of remuneration to Mr. Madhavan Menon, as the Managing Director for a period of five (5) years commencing from March 1, 2015 to February 29, 2020. In this regard, the Central Government vide its letter dated January 9, 2017, approved the Re-Appointment of Mr. Madhavan Menon, as the Managing Director of the Company for the said period of five years commencing from March 1, 2015. The Central Government has approved ₹ 4,46,88,000/- as the remuneration for the financial year 2015-16 and ₹ 2,22,25,000/- as the remuneration for the period from April 1, 2016 to September 11, 2016. Further, the said letter also stated that its approval is not required with effect from September 12, 2016 in pursuance of the Gazette Notification No. 2992(E) dated 12/09/2016 issued for professional managerial personnel.

#### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors about scheduled Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We report that majority decisions were carried through while dissenting member's views, if any, were captured and recorded as part of the Minutes. Based on the representations made by the Company and its Officers, the Company has proper system in place which facilitates/ ensures capturing and recording of any dissenting views of Board Members.

We report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### **We further report that, the during the audit period:**

- a. The members have passed a Special Resolution in the Annual General Meeting of the Company held on September 2, 2016 for alteration of Object Clause of Memorandum of Association to widen the existing enabling clause which allows the company to undertake necessary activities under Corporate Social Responsibility (CSR).
- b. The members have passed a Special Resolution by way of Postal Ballot Notice dt. December 13, 2016 to give authority to the Board of Directors to offer, invite subscriptions for secured or unsecured, redeemable non-convertible debentures, in one or more tranches, on private placement basis, provided that the total amount that may be so raised, does not exceed ₹ 300 Crore.
- c. The Company has out of total 10.52% 1000 Unsecured Redeemable Non Convertible Debentures ('NCDs') of ₹ 10 lakh each amounting to ₹ 100 Crores, redeemed 333 NCDs on April 15, 2016 as per the terms of the issue.
- d. The Company has granted 802868 Options under Thomas Cook Employees Stock Option Plan 2013 ('ESOP 2013') to employees of its subsidiaries companies.
- e. Qess Corp Limited ceased to be a material unlisted Indian subsidiary of the Company post its Initial Public Offering ('IPO') of

Equity Shares and subsequent listing of its Equity Shares on BSE Limited and The National Stock Exchange of India Limited with effect from July 12, 2016. Accordingly, Qess Corp Limited ceased to be a material unlisted Indian subsidiary of the Company. However, Qess Corp Limited continues to be a subsidiary of the Company as on March 31, 2017.

#### **For Keyul M. Dedhia & Associates Company Secretaries**

**Keyul M. Dedhia**

**Proprietor**

FCS No: 7756

COP No: 8618

**May 25, 2017, Mumbai**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

#### **'Annexure A'**

To,

**The Members,**

**Thomas Cook (India) Limited**

**Corporate Identification Number: L63040MH1978PLC020717**

Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai- 400 001.

#### **Sub: Our report of even date is to be read along with this letter.**

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test-check basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and we have relied on Statutory Auditors' independent assessment on the same.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

#### **For Keyul M. Dedhia & Associates Company Secretaries**

**Keyul M. Dedhia**

**Proprietor**

FCS No: 7756

COP No: 8618

**May 25, 2017, Mumbai**

# Annexure to the Directors' Report

## ANNEXURE 2: ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company in line with its set Corporate Social Responsibility (CSR) Policy implemented various community engagements in the set CSR focal areas of Education and Employability, Health and Sanitation, Rural / Tribal Area Development and Contribution to Emergency Relief Funds.

The Company has implemented various CSR projects directly or through implementing partners i.e. NGOs having experience and proven track record in different sectors. The projects undertaken by the Company are in accordance with Schedule VII of the Act. The projects also confirm to the directives set by the Board in August 2014.

During the year under review, the Company has spent more than 100% of the budget it had set aside for CSR activities, reinforcing its commitment to be responsive to the communities we serve and operate in.

The Employees of the Company were encouraged to engage in and volunteer towards CSR initiatives other than the ones approved by the Committee. In the year under review, the employees:

- In association with NGO Sahyog, contributed to the installation of water purifiers in 9 Government run schools in Chennai.
- Blood donation camps were organised at the Company's branches across India.
- Organ Donation Camps were convened with the assistance of NGO Shrimad Rajchandra Mission of Dharampur, at the Company's branches in Mumbai, Gurgaon and Bangalore, during the World Organ Donation Week.

- Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹)

(1) Sr. No	(2) CSR project or activity identified	(3) Projects or programs (1) Local area or other (2) specify the state and district where projects or program was undertaken	(4) Sector in which the project is covered	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs (1) Direct expenditure on Projects or programs (2) Overhead	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
1	Supported educational expenses of 19 girls of Gyan Bharti Night School, Chembur, Mumbai, through NGO Masoom. Funded the MS-CIT course in association with Aakar Computer Institute. Funded certified Basic and Advanced Tailoring courses, provided tailoring accessories. Best student of the course was presented a sewing machine.	Mumbai, Maharashtra	Education and Employability	67,530	Direct Expenditure 67,530	67,530	Implementing Agency - Masoom

The CSR policy is posted on the Company's website and the weblink thereto is <http://www.thomascook.in/tportal/downloads/Corporate%20Social%20Responsibility%20Policy.pdf>

### 2. The Composition of the CSR Committee:

The Managing Director and 2 Directors including 1 Independent Director constitute the CSR Committee of the Board.

The CSR Committee is comprised of following Members:

- Mrs. Kishori Udeshi, Non Executive Independent Director - Chairperson of the Committee
- Mr. Madhavan Menon, Chairman & Managing Director
- Mr. Harsha Raghavan, Non Executive Director

CSR Policy implementation is periodically reviewed and monitored by a two tiered Governance Structure comprising of

- Tier I – CSR Committee of the Board and
- Tier II – CSR Steering Committee.

### 3. Average net profit of the company for last three financial years: ₹ 494,062,807/-

### 4. Prescribed CSR Expenditure (two per cent. of the amount as in item no. 3 above):

As per the provisions of Section 135 of the Companies Act, 2013, read with the applicable rules thereat, the corpus amount to be spent by Thomas Cook (India) Limited on CSR activities shall be at least 2% of the average net profits of the Company for the preceding three financial years, which is ₹ 9,881,257/-.

### 5. Details of CSR spent during the financial year:

- The Total amount to be spent for the financial year is ₹ 9,881,257/- and the amount actually spent was ₹ 99,40,266/- i.e. ₹ 59,009/- over and above the approved budget.



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Projects or programs (1) Local area or other (2) specify the state and district where projects or program was undertaken	Sector in which the project is covered	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct expenditure on Projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
2	Supported educational expenses of 67 girls from Classes 1 to 4 of a municipal primary school in Nashik, through NGO Project Nanhi Kali	Mumbai, Maharashtra	Education and Employability	2,01,000	Direct Expenditure 2,01,000	2,01,000	Implementing Agency – Project Nanhi Kali
3	Installation of prefabricated toilet unit at Kandhal Road, Ooty (in line with Swachh Bharat Abhiyan)	Udhagamandalam, Tamil Nadu	Health and Sanitation	11,31,736	Direct Expenditure 11,31,736	11,31,736	Implementing Agency - Global Environment Systems for Maintenance of sanitation unit
4	Health and Hygiene camps conducted by NGO Save the Children, in 3 schools of Mahad Taluka 310 hygiene kits were distributed AquaGuard water purifiers were installed in the 3 schools	Mahad Taluka, Maharashtra	Health and Sanitation Rural / Tribal Area Development	3,00,000	Direct Expenditure 3,00,000	3,00,000	Implementing Agency – NGO Save the Children, PRIDE India
5	Contribution to Fairfax India Charitable Foundation Trust 22 dialysis units have been installed in remote areas of India Treatment provided at highly subsidised rates to the marginalised communities	Various NGO run Dialysis Centres and Hospitals pan India	Promoting Health and Preventive Health	82,40,000	Direct Expenditure 82,40,000	82,40,000	Implementing Agency – Fairfax India Charitable Foundation Trust
<b>Total</b>					<b>99,40,266</b>	<b>99,40,266</b>	

Details of implementing agency:

- A) Masoom: It is a Mumbai based NGO with a passion for establishing quality education in Night Schools. The NGO partners with Night Schools to facilitate the “Night School Transformation Programme”
  - B) Project Nanhi Kali : The NGO encourages disadvantaged girls in India to attend school and ensures their holistic development through the provision of academic, material and social support.
  - C) Global Environment Systems : It is a partnership firm registered in Udhagamandalam. It is in the business of undertaking contracts for rendering various maintenance, cleaning and sanitorial services to its clients.
  - D) Save the Children, PRIDE India : The NGO works in remote villages in Maharashtra to provide them access to essential services and empowers marginalised communities
  - E) Fairfax India Charitable Foundation Trust : The Trust aids the Dialysis Ecosystem in India. Its objective is to create an affordable, quality dialysis access programme in parts of the country where there is no / limited access.
6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: N.A.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:**

We, do hereby confirm that the facts and contents of this report are fair and correct.

The CSR Committee of the Board ensures that projects / corpus for relief funds are approved by all Members; funds are deployed judiciously; accounts are audited and projects delivered per schedule with the assistance of internal / external agencies / partners.

We hereby declare that implementation and monitoring of the CSR Policy are in compliance with CSR objectives and Policy of the Company.

**For Thomas Cook (India) Limited**

**Madhavan Menon**  
Chairman & Managing Director  
(CSR Committee Member)  
(DIN: 00008542)

**Kishori Udeshi**  
Chairperson,  
CSR Committee  
(DIN: 01344073)

Place: Mumbai  
Dated: 25th May, 2017

# Annexure to the Directors' Report

## ANNEXURE 3: NOMINATION CUM REMUNERATION POLICY

### I. Introduction:

This Nomination cum Remuneration Policy ("Policy") has been formulated and recommended by the Nomination and Remuneration Committee ("Committee") in their meeting held on 29th September, 2014, pursuant to section 178 of the Companies Act, 2013 and the rules made thereunder (collectively, the "Act").

The Policy has been adopted by the board of directors of Thomas Cook (India) Limited ("Company") in its meeting held on 29th September, 2014.

This Policy lays down the guidelines to be followed in relation to:

- (A) appointment of the directors, and key managerial personnel of the Company; and
- (B) fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.

The objective of this Policy is to inter-alia:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.
- (g) evaluating performance of each Director and performance of the Board as a whole;

### II. Nomination and Appointment:

#### A. Executive Directors:

1. As per the Act, the Company is required to have a managing director, or a chief executive officer, or a manager, and in their absence, a whole time director.
2. The Company currently has, and has always appointed, a managing director in accordance with the applicable laws. Accordingly, this Policy currently provides for the appointment of the managing director of the Company ("Managing Director"). If in future, the Committee deems fit to appoint a chief executive officer, or manager or a whole time director for the Company, then this Policy will be suitably amended to provide for the appointment and remuneration of such personnel.
3. Process to be adopted for the nomination and appointment of a Managing Director:

- (a) The Committee will identify and recommend to the board of directors of the Company ("Board"), person(s) who is qualified and eligible for appointment as the Managing Director of the Company, provided such person(s) meets the criteria set out under this Policy.
  - (b) The appointment of a Managing Director will be subject to execution of formal agreement between the Company and the Managing Director.
  - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as the Managing Director, and the agreement setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board, and of the shareholders at the next general meeting of the Company.
  - (d) If the terms and conditions of appointment of the Managing Director are at variance to the conditions specified under Schedule V of the Act, then such appointment will be subject to the approval of the Central Government.
4. For a person to be appointed as a Managing Director ("Candidate"), he/she should fulfil/meet the following criteria:
- (a) The Candidate should have been allotted a director's identification number.
  - (b) The Candidate should not be below the age of 21 years. If the Candidate has completed 70 years of age, then the Candidate may be appointed after complying with the provisions of Act.
  - (c) The Candidate should not be an undischarged insolvent or should not have, at any time, been adjudged as an insolvent.
  - (d) The Candidate should not have, at any time, suspended payment to his/her creditors or should not be a person who makes, or has at any time made, a composition with them.
  - (e) The Candidate should not have, at any time, been convicted by a court of an offence and sentenced for a period of more than 6 months.
  - (f) The Candidate should not be disqualified to act as a director pursuant to the provisions of the Act.
  - (g) If the Candidate is already holding the office of the Managing Director, then his/her current tenure should be expiring within a period of not more than 1 year.
  - (h) The Candidate should not be a director, who has been at any time removed from directorship by the Company in accordance with the provisions of the Act.
  - (i) The Candidate should not have been sentenced to imprisonment for any period, or to a fine exceeding ₹ 1000/-, for the conviction of an offence under any of the statutes set out at Annexure 1.

- (j) The Candidate should not have been detained for any period under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974).
- (k) If the Candidate is a managerial person in more than 1 company, then the remuneration which he/she draws from 1 or more companies should be within the ceiling provided in section V of Part II of Schedule V of the Act.
- (l) The Candidate should be a 'resident of India' as per Schedule V of the Act.
- (m) The Candidate should not be holding office as a director or any other office in a competing firm/entity.
- (n) The Candidate should possess the following minimum qualification and experience:
  - (i) He/she should hold a graduate or professional degree or qualification from a reputed institution.
  - (ii) He/she should have at least 10 years of experience in business administration and management.
  - (iii) He/she should have been part of the senior management positions for atleast 5 years.

#### B. Non-Executive Directors:

1. As per the Act, the Company is required to have a minimum of 3 directors and upto a maximum of 15 directors, which maximum number can be increased pursuant to a special resolution passed by the Company. The Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR)) also stipulates the composition of the Board such as gender, ratio of non-executive to executive directors, and the number of independent directors.
2. Process to be adopted for the nomination and appointment of Non-Executive Directors:
  - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a non-executive director of the Company ("Non-Executive Director"), not being an independent director of the Company ("Independent Director"), provided such Non-Executive Director meets the criteria set out under this Policy.
  - (b) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Non-Executive Director, and the agreement setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board, and of the shareholders at the general meeting of the Company.
  - (c) The Committee will also consider and provide its inputs on the appointment to the Board of an alternate director, small shareholders' director and a nominee director.
3. For a person to be appointed as a Non-Executive Director ("Candidate"), he/she should fulfil/meet the following criteria:

- (a) The Candidate should have been allotted a director's identification number.
- (b) The number of companies in which such Candidate may be holding office as a director or a chairman or committee member should not exceed the limit stipulated by the Act.
- (c) The Candidate should not be disqualified to act as a director pursuant to the provisions of the Act.
- (d) The Candidate should not be holding office as a director or any other office in a competing firm/entity.
- (e) The Candidate should possess the following minimum qualification and experience:
  - (i) He/she should be at least a graduate with a degree from a reputed institution with other educational qualifications as may be decided by the Board from time to time.
  - (ii) He/she should have atleast 5 years of experience in business administration and management.

#### C. Independent Directors:

1. In terms of section 149 (4) of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to have at least [3] directors as independent directors.
2. Process to be adopted for the nomination and appointment of an Independent Director:
  - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as an Independent Director of the Company, provided such person(s) meets the criteria set out under this Policy.
  - (b) The Committee may also select the Independent Director may be selected from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by an authorised agency as per the Act. However, the Committee will nonetheless carry out its own verification and satisfy itself as to the candidature of the Independent Director.
  - (c) The appointment of an Independent Director will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
  - (d) The person(s) so identified and recommended by the Committee to the Board, for appointment as the Independent Director, and the agreement, if any, setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board, and of the shareholders at the next general meeting of the Company.
3. For a person to be appointed as an Independent Director ("Candidate"), he/she should fulfil/meet the following criteria:



- (a) If the Candidate is already an Independent Director, then his tenure and term will be as per the Act and the SEBI (LODR).
  - (b) The Candidate should have been allotted a director's identification number.
  - (c) The number of companies in which such Candidate may be holding office as an independent director or a chairman or committee member should not exceed the limit stipulated by the Act.
  - (d) The Candidate should not be disqualified to act as a director pursuant to the provisions of the Act.
  - (e) The Candidate should not be holding office as a director or any other office in a competing firm/entity.
  - (f) The Candidate should, in the opinion of the Board, be a person of integrity and possess relevant expertise and experience. The Candidate's balance of skills and expertise in view of the objectives and activities of the Company shall be considered.
  - (g) The Candidate should not be or should not have been a promoter of the Company or its holding, subsidiary or associate company.
  - (h) The Candidate should not be related to promoters or directors in the Company, its holding, subsidiary or associate company, i.e. avoid any present or potential conflict of interest.
  - (i) The Candidate should not have or should not have had any pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the 2 (two) immediately preceding financial years or during the current financial year.
  - (j) None of the Candidate's relatives should have or should have had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% more of its gross turnover or total income or ₹ 50,00,000 or such higher amount as may be prescribed, whichever is lower, during the 2 (two) immediately preceding financial years or during the current financial year.
  - (k) Neither himself/herself nor any of his/her relatives:
    - (i) should hold or should have held the position of a key managerial personnel or should be or should have been an employee of the Company or its holding, subsidiary or associate company in any of the 3 (three) financial years immediately preceding the financial year in which he/she is proposed to be appointed;
    - (ii) should be or should have been an employee or proprietor or a partner, in any of the 3 (three) financial years immediately preceding the financial year in which he/she is proposed to be appointed, of:
      - any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - (iii) should hold together with his/her relatives 2% or more of the total voting power of the Company;
  - (iv) should be a Chief Executive or director, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company; or
  - (v) should be a material supplier, service provider or customer or a lessor or lessee of the Company.
  - (l) The Candidate should not be less than 21 years of age.
  - (m) The Candidate should possess the following minimum qualification and experience:
    - (i) He/she should hold one or more graduate or a post graduate degree in finance, law, marketing, sales, administration, research, corporate governance, technical operation or management or such other discipline as may be decided by the Board from time to time from a reputed institution.
    - (ii) He/she should have atleast 15 years of experience in his field of specialisation(s).
    - (iii) He should have adequate knowledge and expertise in corporate governance, and business management and administration.
- D. Key Managerial Personnel:**
1. As per section 203 of the Act and rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint the following whole time key managerial personnel:
    - (a) managing director, or chief executive officer or manager and in their absence, a whole-time director;
    - (b) company secretary; and
    - (c) chief financial officer.
  2. The Company currently appoints on its Board, a Managing Director. Apart from the Managing Director, the Company has also appointed and will continue to appoint a Company Secretary and a Chief Financial Officer.
- A 'company secretary' would mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980, and who is appointed by a company to perform the functions of a company secretary under the Act.
- A 'chief financial officer' would mean a person appointed as the chief financial officer of a company.

3. Process to be adopted for the nomination and appointment of a Company Secretary:
  - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a Company Secretary.
  - (b) The appointment of the Company Secretary will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
  - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Company Secretary, and the letter of appointment setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board.
4. For a person to be appointed as a Company Secretary ("Candidate"), he/she should fulfil/meet the following criteria:
  - (a) The Candidate should be a qualified company secretary.
  - (b) The Candidate should not simultaneously be a 'company secretary in practice' after appointment in the Company. 'company secretary in practice' would mean a company secretary who is deemed to be in practice under sub-section (2) of section 2 of the Company Secretaries Act, 1980.
  - (c) The Candidate should not be simultaneously employed or holding any position as a company secretary or any other post in any other firm/entity after appointment in the Company.
  - (d) The Candidate should have atleast 10 years of experience in secretarial and compliance.
  - (e) The Candidate should not have been sentenced to imprisonment for any period, or to a fine exceeding ₹ 1000/-, for the conviction of an offence under any law.
5. Process to be adopted for the nomination and appointment of a Chief Financial Officer:
  - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a Chief Financial Officer.
  - (b) The appointment of the Chief Financial Officer will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
  - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Chief Financial Officer, and the letter of appointment setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board.
6. For a person to be appointed as a Chief Financial Officer ("Candidate"), he/she should fulfil/meet the following criteria:

- (a) The Candidate should hold a finance degree such as MBA (in finance), CA, ICWA, or any similar degree or qualification from a reputed institution.
- (b) The Candidate should have atleast 10 years of experience in finance.
- (c) The Candidate should not be simultaneously employed or holding any position as a chief financial officer or any other post in any other firm/entity after appointment in the Company.
- (d) The Candidate should not have been sentenced to imprisonment for any period, or to a fine exceeding ₹ 1000/-, for the conviction of an offence under any law.

### III. Evaluation:

1. The reappointment or extension of term and the remuneration of Executive Directors and Non-Executive Directors will be as per the performance evaluation report pursuant to the performance evaluation carried out by the Board (excluding the director being evaluated).
2. The criteria for such performance evaluation has been set out at Annexure 2.

### IV. Remuneration:

#### A. Executive Directors:

1. The Committee to recommend the remuneration of the Managing Director to Board for its approval.
2. Such remuneration shall be subject to approval of the shareholders of the Company, in the next general meeting.
3. If proposed remuneration is at variance to the conditions specified in Schedule V of the Act, then such remuneration will also be subject to the approval of the Central Government.
4. The terms of the remuneration of the Managing Director shall be as under:
  - (a) The remuneration of the Managing Director will consist of the following:
    - (i) Base / Basic Salary subject to such annual increments as the Nomination & Remuneration Committee and/or the Board may determine and approve, from time to time
    - (ii) Other Allowance
    - (iii) Performance Bonus
    - (iv) Perquisites like Housing, Car/ Conveyance Allowance, Telephone, Club Fees, etc. and other retirement benefits as may be recommended by the Nomination & Remuneration Committee and approved by the Board and the shareholders of the Company.
  - (b) The Managing Director may be granted stock options.

**B. Non Executive Directors:**

1. The Committee to recommend the remuneration of the Non Executive Directors to the Board for its approval, and will be subject to approval of the shareholders of the Company.
2. The terms of the remuneration of the Non Executive Directors shall be as under:
  - a. Sitting fees of such amounts as may be determined from time to time and upto such amount, as may be decided by the Board and the shareholders, if required.
  - b. An incentive payment based on achievement of profitability levels for the year ended, upto such amount, based on the performance evaluation report, as may be decided by the Board and the shareholders, from time to time.
  - c. Increment for each year will be determined by the Committee based on the performance evaluation report and which will be subject to approval of the Board and the shareholders.
3. The Non Executive Directors may be offered stock options as may be permitted by the applicable law.

**C. Independent Directors:**

1. The Committee to recommend the remuneration of the Independent Directors to the Board for its approval, and will be subject to approval of the shareholders of the Company.
2. The terms of the remuneration of the Independent Directors shall be as under:
  - (a) Sitting fees of such amounts as may be determined from time to time and upto such amount, as may be decided by the Board and the shareholders, if required.
  - (b) An incentive payment based on achievement of profitability levels for the year ended, upto such amount, based on the performance evaluation report, as may be decided by the Board and approved by the shareholders of the Company, from time to time.
3. The Independent Directors will not be entitled to any stock options.
4. In addition to the above, the Independent Directors shall be entitled to the following:

Reimbursement of actual expenses incurred, if any, in connection with attending the Board / Committee meeting of the Company.

**D. Key Managerial Personnel:**

1. The Committee to recommend the remuneration of the Company Secretary and Chief Financial Officer to the Board for its approval, in accordance with Annexure 3.
2. Increment for each year will be determined by the Committee based on the performance evaluation report.
3. Such increment will be subject to approval of the Board.

4. The Company Secretary and Chief Financial Officer may be offered stock options.

**E. Senior Management Employees:**

1. The Committee will determine the remuneration of the senior management employees of the Company, other than the whole time key managerial personnel, in accordance with Annexure 3.
2. Increment for each year will be determined by the Committee based on the performance evaluation conducted in accordance with Annexure 3.
3. The senior management employees may be offered stock options.

**V. General:**

1. The Board will constitute of atleast 1 woman director.
2. The Board will constitute of atleast 1 director who has stayed in India for a total period of not less than 182 days in the previous calendar year.
3. If the total managerial remuneration payable by the Company to all its directors in any financial year exceeds the limits stipulated under the Act and rules made thereunder, then the Company will obtain requisite approval of the Central Government.
4. Atleast 6 (six) months before the retirement or immediately upon resignation of any director or whole time key managerial personnel, the Committee will initiate the process of identifying and recommending new candidates to replace such retiring or resigning directors or whole time key managerial personnel.

**Annexure 1****List of Statutes**

The Managing Director should not have been sentenced to imprisonment for any period, or to a fine exceeding ₹ 1,000/-, for the conviction of an offence under any of the following Acts, namely:

- (a) the Indian Stamp Act, 1899 (2 of 1899);
- (b) the Central Excise Act, 1944 (1 of 1944);
- (c) the Industries (Development and Regulation) Act, 1951 (65 of 1951);
- (d) the Prevention of Food Adulteration Act, 1954 (37 of 1954);
- (e) the Essential Commodities Act, 1955 (10 of 1955);
- (f) the Companies Act, 2013;
- (g) the Securities Contracts (Regulation) Act, 1956 (42 of 1956);
- (h) the Wealth-tax Act, 1957 (27 of 1957);
- (i) the Income-tax Act, 1961 (43 of 1961);
- (j) the Customs Act, 1962 (52 of 1962);
- (k) the Competition Act, 2002 (12 of 2003);
- (l) the Foreign Exchange Management Act, 1999 (42 of 1999);
- (m) the Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986);
- (n) the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (o) the Foreign Trade (Development and Regulation) Act, 1922 (22 of 1922); and
- (p) the Prevention of Money-Laundering Act, 2002 (15 of 2003).



**Annexure 2****Criteria for performance evaluation of Directors**

The Board decided that the performance evaluation of Directors may be either done by an independent external agency as the Board may decide or appoint or internally by the Board members having regard to, inter alia, the following.

Performance of Executive Directors of the Company who are involved in day to day operations of the Company can be assessed on the basis of:

- a) their commitment to achieve Company's goals and alignment with the strategic direction,
- b) their decision making ability, and
- c) their ability and actions to safeguard the interest of shareholders of the Company.

Performance of Non-Executive and Independent Directors of the Company who are not involved in day to day operations of the Company can be assessed on the basis of:

- a) individual's continuing commitment to the role, strategic thinking,
- b) commitment of time for Board and other Committee meetings,
- c) commitment of time for other duties towards Company like financial management and performance management, integrity, independence,
- d) commitment to good corporate governance practices,
- e) leadership, communication and relationships of Chairman with other Board members, and
- f) their individual competencies and contribution to the discussions and decisions at meetings.

**Annexure 3****Remuneration of whole time key managerial personnel and senior management employees**

The remuneration to the key managerial personnel (i.e. the Company Secretary and the Chief Financial Officer) and senior management employees shall broadly be based on the following parameters:

- a) Qualifications
- b) Experience in the field that he/she works for
- c) Knowledge, Expertise, skills and specialisation
- d) Any awards/ recognitions received
- e) Market competitiveness
- f) Performance in line with Company's objectives and policy
- g) External benchmarks within the context of group and individual performance
- h) Commitment and other personal characteristics being in line with the Company's values, such as pioneering mindset, respect for individuals, integrity, honesty, transparency, accessibility and excellence

**FOR AND ON BEHALF OF THE BOARD**

**Madhavan Menon**  
*Chairman & Managing Director*  
 (DIN: 00008542)

Mumbai,  
 Dated: 25th May, 2017

# Annexure to the Directors' Report

## ANNEXURE 4: EXTRACT OF ANNUAL RETURN

### Form MGT-9 EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

1	<b>CIN</b>	L63040MH1978PLC020717
2	<b>Registration Date</b>	21/10/1978
3	<b>Name of the Company</b>	Thomas Cook (India) Limited
4	<b>Category / Sub-Category of the Company</b>	Company limited by shares / Indian Non-Government Company
5	<b>Address of the Registered office and contact details</b>	Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai – 400 001 Maharashtra Tel.: +91 22 4242 7000 Fax: +91 22 2302 2864 Email id: <a href="mailto:shareddept@in.thomascook.com">shareddept@in.thomascook.com</a> Website: <a href="http://www.thomascook.in">www.thomascook.in</a>
6	<b>Whether listed company</b>	Yes
7	<b>Name, Address and Contact details of Registrar and Share Transfer Agent</b>	TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011 Tel.: +91 22 6656 8484 Fax: +91 22 6656 8494 Email id: <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a> Website: <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company are as under:-

Sr. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company*
1	Travel and Related Service	52291 & Division 79	84.89%
2	Financial Service	64990	15.11%

\* The Company records net revenue in its books. Hence, the above percentage is with respect to net revenue and not turnover of the Company.

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1	Fairbridge Capital (Mauritius) Limited Office 6, Level 1, Maeva Tower, Cybercity, Ebene, Mauritius	N.A.	Holding	67.66	2(46)
2	Sterling Holiday Resorts Limited (formerly known as Thomas Cook Insurance Services (India) Limited) Citi Tower, No. 7, 3rd Cross Street, Kasturba Nagar, Adyar, Chennai, Tamil Nadu 600020	U63040TN1989PLC114064	Subsidiary	100.00	2(87)
3	Sterling Holidays (Ooty) Limited Citi Tower, No. 7, 3rd Cross Street, Kasturba Nagar, Adyar, Chennai, Tamil Nadu 600020	U55102TN1989PLC018344	Step Down Subsidiary	98.00	2(87)

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
4	Sterling Holiday Resorts (Kodaikanal) Limited Citi Tower, No. 7, 3rd Cross Street, Kasturba Nagar, Adyar, Chennai, Tamil Nadu 600020	U92490TN1987PLC014215	Step Down Subsidiary	98.00	2(87)
5	Nature Trails Resorts Private Limited Ground Floor, Aligh Chambers, Next to Param Hospital and Hanuman Temple, Hardas Nagar, Majiwada Junction Thane 400601	U55100MH2005PTC150901	Step Down Subsidiary	100.00	2(87)
6	Indian Horizon Marketing Services Limited Torana Apts, Flat No. 4, Gr.Flr,Opp. Post & Telegraphy Colony, Andheri Sahar Road, Andheri-East, Mumbai 400099	U74999MH1989PLC054765	Subsidiary	100.00	2(87)
7	TC Tours Limited (formerly known as Thomas Cook Tours Limited) Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400001	U63040MH1989PLC054761	Subsidiary	100.00	2(87)
8	Jardin Travel Solutions Limited Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400001	U63090MH2015PLC267993	Subsidiary	100.00	2(87)
9	Borderless Travel Services Limited Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400001	U63090MH2015PLC267758	Subsidiary	100.00	2(87)
10	Thomas Cook Lanka (Private) Limited No. 393 Union Place, Colombo 2, Sri Lanka	N.A.	Subsidiary	100.00	2(87)
11	Luxe Asia (Private) Limited No. 272, Vaixhall Street, Colombo 02, Sri Lanka	N.A.	Step Down Subsidiary	100.00	2(87)
12	Thomas Cook (Mauritius) Holding Company Limited Les Cascades Building, Edith Cavell Street port Louis, Mauritius	N.A.	Subsidiary	100.00	2(87)
13	Thomas Cook (Mauritius) Operations Company Limited Ground Floor, Anglo Mauritius House, 4 Intendance Street, Port Louis, Mauritius	N.A.	Step Down Subsidiary	100.00	2(87)
14	Thomas Cook (Mauritius) Holidays Limited Ground Floor, Anglo Mauritius House, 4 Intendance Street, Port Louis,11328 Mauritius	N.A.	Step Down Subsidiary	100.00	2(87)
15	SOTC Travel Private Limited (Formerly known as SITA Travels Private Limited) 324, Dr. D.N. Road, Fort, Mumbai 400001	U63040MH2001PTC131691	Subsidiary	100.00	2(87)
16	SOTC Travel Services Private Limited (Formerly known as Kuoni Travel (India) Private Limited) 324, Dr. D.N. Road, Fort, Mumbai 400001	U63090MH1992PTC070074	Subsidiary	100.00	2(87)
17	Distant Frontiers Tours Private Limited 7th Floor, Tower A, Urmi Estate, 95, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400013	U74899MH1994FTC213883	Step Down Subsidiary	100.00	2(87)
18	SITA Beach Resorts Private Limited 7th Floor, Tower A, Urmi Estate, 95, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400013	U55101MH2001PTC131692	Step Down Subsidiary	100.00	2(87)
19	SITA Destination Management Private Limited 7th Floor, Tower A, Urmi Estate, 95, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400013	U63040MH2001PTC131695	Step Down Subsidiary	100.00	2(87)
20	SITA Holidays (India) Private Limited 7th Floor, Tower A, Urmi Estate, 95, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400013	U55109MH2001PTC131690	Step Down Subsidiary	100.00	2(87)
21	SITA Incoming (India) Private Limited 7th Floor, Tower A, Urmi Estate, 95, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400013	U55101MH2001PTC131694	Step Down Subsidiary	100.00	2(87)
22	SOTC Travel Management Private Limited (formerly known as SITA Travels and Tours Private Limited) 7th Floor, Tower A, Urmi Estate, 95, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400013	U63040MH2001PTC131693	Step Down Subsidiary	100.00	2(87)
23	SITA World Travel (Nepal) Private Limited Jwagal, Kupondole, Lalitpur PO Box 2656 Kathmandu, Nepal	N.A.	Step Down Subsidiary	63.00	2(87)
24	SITA World Travel Lanka (Private) Limited 118C Barnes Place, Colombo 07, Sri Lanka	N.A.	Step Down Subsidiary	100.00	2(87)

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
25	SITA Holidays Resorts Private Limited 7th Floor, Tower A, Urmi Estate, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400013	U55101MH2001PTC131696	Step Down Subsidiary	100.00	2(87)
26	Quess Corp Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore 560 103 Karnataka	L74140KA2007PLC043909	Subsidiary	62.17	2(87)
27	Aravon Services Private Limited No. 3, 1st Floor, Trade Globe Building, Opp. VITS Hotel, JB Nagar, Andheri Kurla Road, Andheri (East), Mumbai 400059	U93000MH2007FTC172493	Step Down Subsidiary	62.17	2(87)
28	CentreQ Business Services Private Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore 560103	U72200KA2016PTC097679	Step Down Subsidiary	62.17	2(87)
29	Coachieve Solutions Private Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore 560103	U72300DL2007PTC166789	Step Down Subsidiary	62.17	2(87)
30	Dependo Logistics Solutions Private Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore 560103	U63030KA2016PTC096361	Step Down Subsidiary	62.17	2(87)
31	Excelus Learning Solutions Private Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore 560103	U74999KA2016PTC097984	Step Down Subsidiary	62.17	2(87)
32	Inticore VJP Advance Systems Private Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore 560103	U33112KA2016PTC086889	Step Down Subsidiary	46.01	2(87)
33	MFx Infotech Private Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore 560103	U72200KA2014PTC074949	Step Down Subsidiary	62.17	2(87)
34	Brainhunter Systems Limited 2 Sheppard Avenue East, Suite 2000, Toronto, ON M2N 5Y7, Canada	N.A.	Step Down Subsidiary	62.17	2(87)
35	Brainhunter Companies LLC 22001 Route 46, Waterview Plaza, Suite 310, Parsippany, NJ USA 07054	N.A.	Step Down Subsidiary	62.17	2(87)
36	Mindwire Systems Limited Carling Executive Park, 1545 Carling Avenue, Suite 600 Ottawa, ON Canada K1Z 8P9	N.A.	Step Down Subsidiary	62.17	2(87)
37	Quesscorp Holdings Pte. Limited 8 Temasek Boulevard, #32-01 Suntec Tower Three Singapore 038988	N.A.	Step Down Subsidiary	62.17	2(87)
38	Comtel Solutions Pte. Limited, Singapore 10, Hoe Chiang Road, #15-02 Keppel Towers, Singapore, 089315	N.A.	Step Down Subsidiary	39.79	2(87)
39	Quessglobal (Malaysia) Sdn. Bhd Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur	N.A.	Step Down Subsidiary	62.17	2(87)
40	Quess Corp Lanka (Private) Limited (formerly known as Randstad Lanka (Private) Limited) 7th Floor, BOC Merchant Tower, 28, St. Michael's Road, Colombo 03, Sri Lanka	N.A.	Step Down Subsidiary	62.17	2(87)
41	Ikya Business Services Private Limited 216, De Saram, Place, Colombo 10, Sri Lanka	N.A.	Step Down Subsidiary	62.17	2(87)
42	MFxchange Holdings Inc, 895 Don Mills Road, Building 2, Suite 300, Toronto, Ontario M3C 1W3 Canada	N.A.	Step Down Subsidiary	62.17	2(87)
43	MFxchange(USA), Inc. 5 Century Drive, Suite 200, Parsippany, New Jersey, 07054	N.A.	Step Down Subsidiary	62.17	2(87)
44	MFxchange (Ireland) Limited (in liquidation) First Floor 25-28 Adelaide Road, Dublin 2	N.A.	Step Down Subsidiary	62.17	2(87)
45	Quess (Philippines) Corp, 23/F, GT Tower International, 6813, Ayala Avenue, Makati City, Philippines	N.A.	Step Down Subsidiary	62.17	2(87)
46	Quess Corp(USA) Inc. 3500 South Dupont Highway, Dover, DE 19901, U.S.A.	N.A.	Step Down Subsidiary	62.17	2(87)



Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
47	Simpliance Technologies Private Limited* 2nd floor, A S Chambers, No.6 80 Feet Road, Koramangala Bangalore 560095	U72200KA2016PTC092594	Associate	16.79	2(6)
48	Terrier Security Services (India) Private Limited* No. 583, Vyalikaval HBCS Layout, Nagawara, Veerannapalya Bangalore Karnataka 560045	U74920KA2009PTC049810	Associate	30.46	2(6)
49	Himmer Industrial Services (M) Sdn. Bhd.* 17 – 11 Level 17 Q Central, Jalan Stesen Sentral, 50470 Kuala Lumpur	N.A.	Associate	30.46	2(6)
50	Travel Corporation (India) Limited 324, Dr. D.N. Road, Fort, Mumbai 400001	U63040MH1961PLC012067	Subsidiary	100.00	2(87)
51	TC Visa Services (India) Limited 324, Dr. D.N. Road, Fort, Mumbai 400001	U63090MH2011PLC221429	Step Down Subsidiary	100.00	2(87)
52	Horizon Travel Holdings (Singapore) Private Limited 6, Raffles Quay #21-00, Singapore 048580	N.A.	Step Down Subsidiary	100.00	2(87)
53	Travel Circle International Limited (formerly known as Luxe Asia Travel (China) Limited) 30/F, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong	N.A.	Step Down Subsidiary	100.00	2(87)

\*Associate companies of Qess Corp Limited, a subsidiary of the Company

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	248153725	0	248153725	67.82	248153725	0	248153725	67.66	-0.16
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A) (2)</b>	<b>248153725</b>	<b>0</b>	<b>248153725</b>	<b>67.82</b>	<b>248153725</b>	<b>0</b>	<b>248153725</b>	<b>67.66</b>	<b>-0.16</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>248153725</b>	<b>0</b>	<b>248153725</b>	<b>67.82</b>	<b>248153725</b>	<b>0</b>	<b>248153725</b>	<b>67.66</b>	<b>-0.16</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	34503477	9540	34513017	9.43	41354725	8460	41363185	11.28	1.85
(b)	Financial Institutions / Banks	43914	9560	53474	0.01	39353	9560	48913	0.01	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00

	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e)	Insurance Companies	6468994	0	6468994	1.77	6468994	0	6468994	1.76	-0.01
(f)	Foreign Institutional Investors	14263193	6025	14269218	3.90	679709	6025	685734	0.19	-3.71
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Foreign Portfolio Investors (Corporate)	12867756	0	12867756	3.52	27179340	0	27179340	7.41	3.89
(j)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B) (1)</b>		<b>68147334</b>	<b>25125</b>	<b>68172459</b>	<b>18.63</b>	<b>75722121</b>	<b>24045</b>	<b>75746166</b>	<b>20.65</b>	<b>2.02</b>
<b>(2) Non-Institutions</b>										
(a)	Bodies Corporate									
(i)	Indian	12076297	71533	12147830	3.32	8637102	62113	8699215	2.37	-0.95
(ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals -								0.00	
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	29662969	3203552	32866521	8.98	26842921	3077121	29920042	8.16	-0.82
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4523568	0	4523568	1.24	4015280	0	4015280	1.09	-0.14
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other									
(i)	Trust	9631	6000	15631	0.00	10067	6000	16067	0.00	0.00
(ii)	Directors & their relatives	495	0	495	0.00	209102	0	209102	0.06	0.06
<b>Sub-total (B) (2)</b>		<b>46272960</b>	<b>3281085</b>	<b>49554045</b>	<b>13.54</b>	<b>39714472</b>	<b>3145234</b>	<b>42859706</b>	<b>11.69</b>	<b>-1.86</b>
<b>Total Public Shareholding (B) = (B) (1)+(B)(2)</b>		<b>114420294</b>	<b>3306210</b>	<b>117726504</b>	<b>32.18</b>	<b>115436593</b>	<b>3169279</b>	<b>118605872</b>	<b>32.34</b>	<b>0.16</b>
<b>TOTAL (A)+(B)</b>		<b>362574019</b>	<b>3306210</b>	<b>365880229</b>	<b>100.00</b>	<b>363590318</b>	<b>3169279</b>	<b>366759597</b>	<b>100.00</b>	<b>0.00</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>										
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>		<b>362574019</b>	<b>3306210</b>	<b>365880229</b>	<b>100.00</b>	<b>363590318</b>	<b>3169279</b>	<b>366759597</b>	<b>100.00</b>	<b>0.00</b>

## ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2016			Shareholding at the end of the year i.e. 31.03.2017			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	Fairbridge Capital (Mauritius) Limited	248153725	67.82	0.00	248153725	67.66*	0.00	-0.16
<b>Total</b>		<b>248153725</b>	<b>67.82</b>	<b>0.00</b>	<b>248153725</b>	<b>67.66</b>	<b>0.00</b>	<b>-0.16</b>

\*The reason for decrease in percentage of total shares held by promoter is due to increase in paid-up share equity share capital of the company on account of allotment of equity shares to employees under various Employee Stock Option Scheme.

## iii. Change in Promoters' Shareholding: No Change

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Purchase of Shares/Decrease in Shareholding		Cumulative Shares during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company *
1	ICICI Prudential Mutual Fund & Group	24046807	6.57					24046807	6.56
				08.04.2016	Purchase of Shares	131501	0.04	24178308	6.59
				15.04.2016	Purchase of Shares	15376	0.00	24193684	6.60
				22.04.2016	Sale of Shares	-2417795	-0.66	21775889	5.94
				22.04.2016	Purchase of Shares	2817878	0.77	24593767	6.71
				29.04.2016	Purchase of Shares	5138	0.00	24598905	6.71
				06.05.2016	Purchase of Shares	56176	0.02	24655081	6.72
				13.05.2016	Sale of Shares	-4185661	-1.14	20469420	5.58
				13.05.2016	Purchase of Shares	4402469	1.20	24871889	6.78
				20.05.2016	Purchase of Shares	967767	0.26	25839656	7.05
				27.05.2016	Purchase of Shares	159550	0.04	25999206	7.09
				03.06.2016	Purchase of Shares	95938	0.03	26095144	7.12
				10.06.2016	Purchase of Shares	555212	0.15	26650356	7.27
				24.06.2016	Sale of Shares	-29338	-0.01	26621018	7.26
				30.06.2016	Sale of Shares	-171802	-0.05	26449216	7.21
				08.07.2016	Sale of Shares	-26786	-0.01	26422430	7.20
				15.07.2016	Sale of Shares	-644055	-0.18	25778375	7.03
				15.07.2016	Purchase of Shares	200000	0.05	25978375	7.08
				22.07.2016	Purchase of Shares	744468	0.20	26722843	7.29
				29.07.2016	Purchase of Shares	175191	0.05	26898034	7.33
				05.08.2016	Purchase of Shares	636416	0.17	27534450	7.51
				12.08.2016	Purchase of Shares	78418	0.02	27612868	7.53
				19.08.2016	Purchase of Shares	223020	0.06	27835888	7.59
				25.08.2016	Purchase of Shares	99125	0.03	27935013	7.62
				26.08.2016	Purchase of Shares	29510	0.01	27964523	7.62
				02.09.2016	Purchase of Shares	60431	0.02	28024954	7.64
				30.09.2016	Purchase of Shares	103760	0.03	28128714	7.67
				07.10.2016	Purchase of Shares	484780	0.13	28613494	7.80
				14.10.2016	Purchase of Shares	302380	0.08	28915874	7.88
				21.10.2016	Purchase of Shares	38081	0.01	28953955	7.89
				18.11.2016	Purchase of Shares	350000	0.10	29303955	7.99
				25.11.2016	Sale of Shares	-708391	-0.19	28595564	7.80
				25.11.2016	Purchase of Shares	708391	0.19	29303955	7.99
				02.12.2016	Sale of Shares	-1263067	-0.34	28040888	7.65
				02.12.2016	Purchase of Shares	1263067	0.34	29303955	7.99
				13.01.2017	Sale of Shares	-22550	-0.01	29281405	7.98
				10.03.2017	Sale of Shares	-8414	0.00	29272991	7.98
				17.03.2017	Sale of Shares	-5241	0.00	29267750	7.98
				24.03.2017	Sale of Shares	-16430709	-4.48	12837041	3.50
				24.03.2017	Purchase of Shares	16151939	4.40	28988980	7.90
				31.03.2017	Sale of Shares	-36943	-0.01	28952037	7.89
				31.03.2017	At the end of the year	-	-	28952037	7.89

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Purchase of Shares/Decrease in Shareholding		Cumulative Shares during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company *
2	Birla Sun Life Trustee Company Private Limited- Mutual Funds	9730285	2.66					9730285	2.65
				08.04.2016	Purchase of Shares	55548	0.02	9785833	2.67
				15.04.2016	Purchase of Shares	27090	0.01	9812923	2.68
				22.04.2016	Purchase of Shares	18846	0.01	9831769	2.68
				29.04.2016	Purchase of Shares	56152	0.02	9887921	2.70
				06.05.2016	Purchase of Shares	12960	0.00	9900881	2.70
				13.05.2016	Purchase of Shares	18927	0.01	9919808	2.70
				20.05.2016	Purchase of Shares	37278	0.01	9957086	2.71
				27.05.2016	Purchase of Shares	73080	0.02	10030166	2.73
				03.06.2016	Purchase of Shares	67950	0.02	10098116	2.75
				10.06.2016	Purchase of Shares	52650	0.01	10150766	2.77
				17.06.2016	Purchase of Shares	51390	0.01	10202156	2.78
				24.06.2016	Purchase of Shares	40500	0.01	10242656	2.79
				01.07.2016	Purchase of Shares	29970	0.01	10272626	2.80
				08.07.2016	Sale of Shares	-569	0.00	10272057	2.80
				08.07.2016	Purchase of Shares	57240	0.02	10329297	2.82
				15.07.2016	Purchase of Shares	32514	0.01	10361811	2.83
				22.07.2016	Purchase of Shares	29160	0.01	10390971	2.83
				29.07.2016	Purchase of Shares	35640	0.01	10426611	2.84
				05.08.2016	Purchase of Shares	47520	0.01	10474131	2.86
				12.08.2016	Purchase of Shares	37800	0.01	10511931	2.87
				19.08.2016	Purchase of Shares	36720	0.01	10548651	2.88
				25.08.2016	Purchase of Shares	25920	0.01	10574571	2.88
				26.08.2016	Purchase of Shares	9720	0.00	10584291	2.89
				02.09.2016	Purchase of Shares	41400	0.01	10625691	2.90
				09.09.2016	Purchase of Shares	21600	0.01	10647291	2.90
				16.09.2016	Purchase of Shares	18360	0.01	10665651	2.91
				23.09.2016	Purchase of Shares	31320	0.01	10696971	2.92
				30.09.2016	Purchase of Shares	19440	0.01	10716411	2.92
				07.10.2016	Purchase of Shares	30240	0.01	10746651	2.93
				14.10.2016	Purchase of Shares	12960	0.00	10759611	2.93
				21.10.2016	Purchase of Shares	17280	0.00	10776891	2.94
				28.10.2016	Sale of Shares	-144000	-0.04	10632891	2.90
				28.10.2016	Purchase of Shares	174240	0.05	10807131	2.95
				04.11.2016	Purchase of Shares	22680	0.01	10829811	2.95
				11.11.2016	Purchase of Shares	48600	0.01	10878411	2.97
				18.11.2016	Purchase of Shares	40482	0.01	10918893	2.98
				25.11.2016	Purchase of Shares	45087	0.01	10963980	2.99
				02.12.2016	Purchase of Shares	56079	0.02	11020059	3.00
				09.12.2016	Purchase of Shares	55845	0.02	11075904	3.02
				16.12.2016	Purchase of Shares	79704	0.02	11155608	3.04
				23.12.2016	Purchase of Shares	84564	0.02	11240172	3.06
				31.12.2016	Purchase of Shares	92340	0.03	11332512	3.09
				06.01.2017	Purchase of Shares	67053	0.02	11399565	3.11
				13.01.2017	Purchase of Shares	51300	0.01	11450865	3.12
				20.01.2017	Purchase of Shares	56160	0.02	11507025	3.14
				27.01.2017	Purchase of Shares	68940	0.02	11575965	3.16
				03.02.2017	Purchase of Shares	170280	0.05	11746245	3.20
				10.02.2017	Purchase of Shares	104400	0.03	11850645	3.23
				17.02.2017	Purchase of Shares	98100	0.03	11948745	3.26
				24.02.2017	Purchase of Shares	70920	0.02	12019665	3.28
				03.03.2017	Purchase of Shares	39420	0.01	12059085	3.29
				10.03.2017	Purchase of Shares	20520	0.01	12079605	3.29
				17.03.2017	Purchase of Shares	40320	0.01	12119925	3.30
				24.03.2017	Sale of Shares	-27764	-0.01	12092161	3.30
				24.03.2017	Purchase of Shares	40500	0.01	12132661	3.31
				31.03.2017	Purchase of Shares	85004	0.02	12217665	3.33
				31.03.2017	At the end of the year	-	-	12217665	3.33



Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Purchase of Shares/Decrease in Shareholding		Cumulative Shares during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company *
3	ICICI Prudential Life Insurance Company Limited	6468994	1.77					6468994	1.76
				17.02.2017	Sale of Shares	-6468994	-1.76	0	0.00
				17.02.2017	Purchase of Shares	6468994	1.76	6468994	1.76
				31.03.2017	At the end of the year	-	-	6468994	1.76
4	Kotak Mahindra (International) Limited	4359365	1.19					4359365	1.19
				-	No Change	0	0.00	4359365	1.19
				31.03.2017	At the end of the year	-	-	4359365	1.19
5	India Capital Fund Limited	3257692	0.89					3257692	0.89
				-	No Change	0	0.00	3257692	0.89
				31.03.2017	At the end of the year	-	-	3257692	0.89
6	Government Pension Fund Global	2795875	0.76					2795875	0.76
				27.05.2016	Purchase of Shares	51168	0.01	2847043	0.78
				24.06.2016	Purchase of Shares	73049	0.02	2920092	0.80
				30.09.2016	Purchase of Shares	64480	0.02	2984572	0.81
				14.10.2016	Purchase of Shares	154034	0.04	3138606	0.86
				31.03.2017	At the end of year	-	-	3138606	0.86
7	Morgan Stanley Asia (Singapore) Pte.	2940621	0.80					2940621	0.80
				08.04.2016	Purchase of Shares	499	0.00	2941120	0.80
				15.04.2016	Purchase of Shares	497	0.00	2941617	0.80
				10.06.2016	Purchase of Shares	778	0.00	2942395	0.80
				24.06.2016	Purchase of Shares	7314	0.00	2949709	0.80
				22.07.2016	Purchase of Shares	4974	0.00	2954683	0.81
				29.07.2016	Purchase of Shares	2105	0.00	2956788	0.81
				07.10.2016	Sale of Shares	-1895	0.00	2954893	0.81
				21.10.2016	Sale of Shares	-404	0.00	2954489	0.81
				28.10.2016	Sale of Shares	-3092	0.00	2951397	0.80
				04.11.2016	Sale of Shares	-675	0.00	2950722	0.80
				11.11.2016	Sale of Shares	-3828	0.00	2946894	0.80
				18.11.2016	Sale of Shares	-1473	0.00	2945421	0.80
				13.01.2017	Sale of Shares	-575	0.00	2944846	0.80
				20.01.2017	Sale of Shares	-125078	-0.03	2819768	0.77
				27.01.2017	Sale of Shares	-65956	-0.02	2753812	0.75
				03.02.2017	Sale of Shares	-204039	-0.06	2549773	0.70
				31.03.2017	At the end of year	-	-	2549773	0.70
8	The Wellington Trust Company National Association Multiple Common Trust Funds Trust Emerging Markets Local Equity Portfolio	2230697	0.61					2230697	0.61
				10.06.2016	Purchase of Shares	181789	0.05	2412486	0.66
				24.06.2016	Purchase of Shares	120318	0.03	2532804	0.69
				09.09.2016	Sale of Shares	-51288	-0.01	2481516	0.68
				31.03.2017	At the end of the year	-	-	2481516	0.68

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Purchase of Shares/Decrease in Shareholding		Cumulative Shares during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company *
9	Mr. Ramesh Ramanathan	2481225	0.68					2481225	0.68
				07.10.2016	Purchase of Shares	999	0.00	2482224	0.68
				04.11.2016	Purchase of Shares	63327	0.02	2545551	0.69
				03.02.2017	Sale of Shares	-33855	-0.01	2511696	0.68
				24.02.2017	Sale of Shares	-35296	-0.01	2476400	0.68
				03.03.2017	Purchase of Shares	18	0.00	2476418	0.68
				10.03.2017	Purchase of Shares	6	0.00	2476424	0.68
				10.03.2017	Sale of Shares	-62849	-0.02	2413575	0.66
				31.03.2017	At the end of year	-	-	2413575	0.66
10	The Board Of Regents Of The University Of Texas System - Ut Saga Tree Llc	2217993	0.61					2217993	0.60
				24-Jun-2016	Purchase of Shares	8443	0.00	2226436	0.61
				31.03.2017	At the end of the year	-	-	2226436	0.61

\* % of total shares of the Company held by Top 10 shareholders is calculated taking into consideration the outstanding equity share capital of the Company as on the financial year ended 31st March, 2017.

#### v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Directors and KMPs	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shares during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company*
Directors									
1	Mr. Madhavan Menon	0	0.00					0	0.00
				06.06.2016	ESOP Shares	455500	0.12	455500	0.12
				15.06.2016	Sale of ESOP Shares	20000	0.01	435500	0.12
				16.06.2016	Sale of ESOP Shares	20000	0.01	415500	0.11
				17.06.2016	Sale of ESOP Shares	8151	0.00	407349	0.11
				22.06.2016	Sale of ESOP Shares	40000	0.01	367349	0.10
				23.06.2016	Sale of ESOP Shares	20000	0.01	347349	0.09
				27.06.2016	Sale of ESOP Shares	36318	0.01	311031	0.08
				28.06.2016	Sale of ESOP Shares	5000	0.00	306031	0.08
				29.06.2016	Sale of ESOP Shares	3041	0.00	302990	0.08
				30.06.2016	Sale of ESOP Shares	25000	0.01	277990	0.08
				01.07.2016	Sale of ESOP Shares	9383	0.00	268607	0.07
				04.07.2016	Sale of ESOP Shares	60000	0.02	208607	0.06
				31.03.2017	At the end of the year	-	-	208607	0.06

Sr. No.	Name of the Directors and KMPs	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shares during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company*
2	Mr. Harsha Raghavan#	0	0.00					0	0.00
				-	No Change	0	0.00	0	0.00
				31.03.2017	At the end of the year			0	0.00
3	Mr. Sunil Mathur	0	0.00					0	0.00
				-	No Change	0	0.00	0	0.00
				31.03.2017	At the end of the year			0	0.00
4	Mrs. Kishori Udeshi	0	0.00					0	0.00
				-	No Change	0	0.00	0	0.00
				31.03.2017	At the end of the year			0	0.00
5	Mr. Nilesh Vikamsey	0	0.00					0	0.00
				-	No Change	0	0.00	0	0.00
				31.03.2017	At the end of the year			0	0.00
6	Mr. Pravir Kumar Vohra	495	0.00					495	0.00
				-	No Change	0	0.00	495	0.00
				31.03.2017	At the end of the year			495	0.00
7	Mr. Chandran Ratnaswami	0	0.00					0	0.00
				-	No Change	0	0.00	0	0.00
				31.03.2017	At the end of the year			0	0.00
Key Managerial Personnel (KMP)									
8	Mr. Debasis Nandy	86789	0.02					86789	0.02
				13.04.2016	Sale of ESOP shares	-10000	0.00	76789	0.02
				31.03.2017	At the end of the year			76789	0.02
9	Mr. Mahesh Iyer (w.e.f. 14th February, 2017)	305	0.00					305	0.00
				-	No Change	0	0.00	305	0.00
				31.03.2017	At the end of the year			305	0.00
10	Mr. Amit J. Parekh	14520	0.00					14520	0.00
				23.01.2017	ESOP Allotment	4080	0.00	18600	0.01
				31.03.2017	At the end of the year			18600	0.01

\* % of total shares of the Company held by Directors and KMPs is calculated taking into consideration the outstanding equity share capital of the Company as on financial year ended 31st March, 2017.

<sup>#</sup> As at 31st March, 2017, Universal Trustees Private Limited holds 590000 equity shares of the Company in trust for the ultimate benefit of Mr. Harsha Raghavan.

**V. INDEBTEDNESS**

(Amount in ₹)

Particulars	Secured Loans excluding Deposits	Unsecured Loans (NCD)	Non Convertible Cumulative Redeemable Preference Shares (NCCRPS)*	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
1) Principal Amount	-	2,000,000,000	1,250,000,000	-	3,250,000,000
2) Interest due but not paid	-	-	-	-	-
3) Interest accrued but not due	-	156,346,411	35,416,667	-	191,763,078
<b>Total (1+2+3)</b>	-	<b>2,156,346,411</b>	<b>1,285,416,667</b>	-	<b>3,441,763,078</b>
<b>Change in Indebtedness during the financial year</b>					
<b>Principal Amount</b>					
(+) Addition	-	-	-	-	-
(-) Reduction	-	333,333,333	-	-	333,333,333
<b>Interest Accrued But not Due</b>					
(+) Addition	-	122,126,386	35,416,667	-	157,543,053
(-) Reduction	-	156,346,411	35,416,667	-	191,763,078
<b>Interest Due But not Paid</b>					
(+) Addition	-	-	-	-	-
(-) Reduction	-	-	-	-	-
<b>Net change</b>	-	<b>(367,553,358)</b>	-	-	<b>(367,553,358)</b>
<b>Indebtedness at the end of the financial year</b>					
1) Principal Amount	-	1,666,666,667	1,250,000,000	-	2,916,666,667
2) Interest due but not paid	-	-	-	-	-
3) Interest accrued but not due	-	122,126,286	35,416,667	-	157,542,953
<b>Total (1+2+3)</b>	-	<b>1,788,792,953</b>	<b>1,285,416,667</b>	-	<b>3,074,209,620</b>

\* NCCRPS has been considered as debt under the Indian Accounting Standard (Ind-AS), hence disclosed under Indebtedness of the Company.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Madhavan Menon, Chairman & Managing Director
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,984,828
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,413,029
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0
2	Sweat Equity	N.A.
3	Commission	
	(i) As % of Profit	N.A.
	(ii) Others, specify	N.A.
	Others, please specify	
4	Performance Bonus	27,200,320
	<b>Total</b>	<b>51,598,177</b>
	Stock Options Exercised	455500
	Ceiling as per the Companies Act, 2013	12,000,000



**B. Remuneration to other Directors (Non Executive Directors):****I. Non Executive Independent Directors**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Fee for attending Board / Committee Meeting	Commission*	Others, please specify	Total Amount
<b>1</b>	<b>Independent Directors</b>				
	Mrs. Kishori Udeshi	830,000	1,500,000	-	2,330,000
	Mr. Pravir Kumar Vohra	660,000	1,500,000	-	2,160,000
	Mr. Nilesh Vikamsey	650,000	1,500,000	-	2,150,000
	Mr. Sunil Mathur	610,000	1,500,000	-	2,110,000
	<b>Total (1)</b>	<b>2,750,000</b>	<b>6,000,000</b>	-	<b>8,750,000</b>
<b>2</b>	<b>Other Non Executive Directors</b>				
	Mr. Chandran Ratnaswami**	-	-	-	-
	Mr. Harsha Raghavan**	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>2,750,000</b>	<b>6,000,000</b>	-	<b>8,750,000</b>
	<b>Total Managerial Remuneration</b>	<b>2,750,000</b>	<b>6,000,000</b>	-	<b>8,750,000</b>
	Overall Ceiling as per the Companies Act, 2013	Refer Note			

**Note:** In absence of profits for financial year 2016-17, ceiling for remuneration to Non Executive Directors cannot be calculated.

\*The Commission is proposed to be paid for the financial year 2016-17 to the Non Executive Independent Directors subject to prior approvals of the Members and the Central Government. This matter forms part of the Notice of the Annual General Meeting, members are requested to refer the same for detailed explanation.

\*\*Mr. Chandran Ratnaswami and Mr. Harsha Raghavan have waived their entitlement to their share of Commission and Sitting Fees.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total amount
		Debasis Nandy, Chief Financial Officer & President – Commercial	Mahesh Iyer Chief Executive Officer (w.e.f. 14th February, 2017)*	Amit J. Parekh, Company Secretary and Compliance Officer	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,649,111	10,707,410	3,753,999	26,110,520
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	527,781	0	567,381
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Sweat Equity	N.A.	N.A.	N.A.	N.A.
3	Commission (i) As % of Profit (ii) Others, specify	N.A.	N.A.	N.A.	N.A.
4	Others				
	Performance Bonus	5,303,178	6,569,500	262,298	12,134,976
	<b>Total</b>	<b>16,991,889</b>	<b>17,804,691</b>	<b>4,016,297</b>	<b>38,812,877</b>
5	Stock Option Exercised	Nil	Nil	4080	4080

\*Mr. Mahesh Iyer was appointed as Chief Executive Officer of the Company w.e.f. 14th February, 2017, however his remuneration details have been disclosed for full financial year.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act, 2013):**

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2017

**FOR AND ON BEHALF OF THE BOARD**

**Madhavan Menon**

Chairman & Managing Director

(DIN: 00008542)

Place: Mumbai,

Dated: 25th May, 2017

## Annexure to the Directors' Report

### ANNEXURE 5: PARTICULARS OF DIRECTORS AND EMPLOYEES

Disclosure with respect to the remuneration of Directors and Employees as required under Section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is as follows:

(a) **Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:**

Names of Directors	Designation	Ratio to median remuneration
Mr. Madhavan Menon	Chairman and Managing Director	113.49
Mr. Chandran Ratnaswami <sup>#</sup>	Non Executive Director	-
Mr. Harsha Raghavan <sup>#</sup>	Non Executive Director	-
Mrs. Kishori Udeshi <sup>*</sup>	Non Executive Independent Director	5.12
Mr. Pravir Kumar Vohra <sup>*</sup>	Non Executive Independent Director	4.75
Mr. Nilesh Vikamsey <sup>*</sup>	Non Executive Independent Director	4.73
Mr. Sunil Mathur <sup>*</sup>	Non Executive Independent Director	4.64

<sup>\*</sup>The ratio to the median remuneration figures includes the sitting fees paid during the year; it also includes the commission proposed to be paid for the financial year 2016-17 to the Non Executive Independent Directors subject to prior approvals of the Members and the Central Government. This matter forms part of the Notice of the Annual General Meeting, members are requested to refer the same for detailed explanation.

<sup>#</sup>Mr. Chandran Ratnaswami and Mr. Harsha Raghavan have waived their entitlement to their share of commission and sitting fees.

(b) **Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016-17 vis-a-vis the previous financial period 2015-16:**

Director, Chief Financial Officer, Chief Executive Officer and Company Secretary	Designation	% increase in remuneration in financial year
Mr. Madhavan Menon	Chairman and Managing Director	6
Mr. Chandran Ratnaswami	Non-Executive Director	-
Mr. Harsha Raghavan	Non-Executive Director	-
Mrs. Kishori Udeshi <sup>^</sup>	Non-Executive Independent Director	58.48
Mr. Pravir Kumar Vohra <sup>*</sup>	Non-Executive Independent Director	N.A.
Mr. Nilesh Vikamsey <sup>*</sup>	Non Executive Independent Director	N.A.
Mr. Sunil Mathur <sup>*</sup>	Non Executive Independent Director	N.A.
Mr. Debasis Nandy	Chief Financial Officer & President – Commercial	-11.85
Mr. Mahesh Iyer (w.e.f. 14th February, 2017)**	Chief Executive Officer	N.A.
Mr. Amit J. Parekh <sup>#</sup>	Company Secretary and Compliance Officer	N.A.

<sup>^</sup> Percentage increase in remuneration includes the sitting fees paid during the year; it also includes the commission proposed to be paid for the financial year 2016-17 to the Non Executive Independent Directors subject to prior approvals of the Members and the Central Government. This matter forms part of the Notice of the Annual General Meeting, members are requested to refer the same for detailed explanation.

<sup>\*</sup>Percentage increase in remuneration is not reported for Mr. Pravir Kumar Vohra, Mr. Nilesh Vikamsey and Mr. Sunil Mathur as they were holding Directorship only for part of the financial year 2015-16 and hence not comparable.

<sup>\*\*</sup>Percentage increase in remuneration is not reported for Mr. Mahesh Iyer as he was holding office of Chief Executive Officer for the part of financial year 2016-17.

<sup>#</sup>Percentage increase in remuneration is not reported for Mr. Amit J. Parekh as he was holding office of Company Secretary and Compliance Officer only for part of the financial year 2015-16 and hence not comparable.

(c) **Percentage increase in the median remuneration of employees in the financial year 2016-17: 8%**

(d) **Number of permanent employees on the rolls of Company: 2285**

(e) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the financial year, average increases in salaries of employees was 11.6% and average increase in managerial salaries was 12.4%. This was based on recommendation of the Nomination and Remuneration Committee as per industry benchmark.

(f) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the Nomination cum Remuneration Policy of the Company.

### FOR AND ON BEHALF OF THE BOARD

**Madhavan Menon**  
Chairman & Managing Director  
(DIN: 00008542)

Place: Mumbai  
Dated: 25th May, 2017

# Annexure to the Directors' Report

## ANNEXURE – 6 DIVIDEND DISTRIBUTION POLICY OF THOMAS COOK (INDIA) LIMITED

The Board of Directors (the “Board”) of Thomas Cook (India) Limited (the “Company”) has adopted the Dividend Distribution Policy (the “Policy”) of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) in its meeting held on 26th October, 2016.

### 1. EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. 26<sup>th</sup> October, 2016.

### 2. PURPOSE, OBJECTIVES AND SCOPE

The Securities and Exchange Board of India (“SEBI”) vide its Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every year. Considering the provisions of the aforesaid Regulation 43A, the Board of Directors (the “Board”) of the Company recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

The Policy shall not apply to:

- Determination and declaring dividend on preference shares as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

### 3. GENERAL POLICY OF THE COMPANY AS REGARDS DIVIDEND

The general considerations of the Company for taking decisions with regard to dividend payout or retention of profits shall be as following-

1. Subject to the considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management including the CFO, and other relevant factors.

2. The Board may also, where appropriate, aim at distributing dividends in kind, subject to applicable law, in form of fully or partly paid shares or other securities.

### 4. CONSIDERATIONS RELEVANT FOR DECISION OF DIVIDEND PAY-OUT

The Board shall consider the following, while taking decisions of a dividend payout during a particular year-

#### **Statutory requirements**

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

#### **Agreements with lending institutions/ Debenture Trustees**

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements as may be entered into with the lenders of the Company from time to time.

#### **Proposals for major capital expenditures etc.**

In addition to plough back of earnings on account of depreciation, the Board may also take into consideration the need for replacement of capital assets, expansion and modernization or augmentation of capital stock, including any major capital expenditure proposals.

#### **Expectations of major stakeholders, including small shareholders**

The Board, while considering the decision of dividend pay-out or retention of a certain amount or entire profits of the Company, shall, as far as possible, consider the expectations of the major stakeholders including the small shareholders of the Company who generally expects for a regular dividend payout.

### 5. FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

#### **External Factors**

##### ***Taxation and other regulatory concern***

Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.

Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

##### ***Product/ market expansion plan***

The Company's growth oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run which shall have to be considered by the Board before taking dividend decision.

##### ***Macroeconomic conditions***

Considering the state of economy in the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

**Internal Factors*****Past performance/ reputation of the Company***

The trend of the performance/ reputation of the Company that has been during the past years determine the expectation of the shareholders.

***Working capital management in the Company***

The current working capital management system within the Company also impacts the decision of dividend declaration.

**6. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED**

The Board shall consider the factors provided above Para 4, before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

**7. MANNER OF DIVIDEND PAYOUT**

The discussion below is a summary of the process of declaration and payment of dividends, and is subject to applicable regulations:

**In case of final dividends**

1. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
2. The dividend as recommended by the Board shall be approved/ declared at the annual general meeting of the Company.
3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.

**In case of interim dividend**

1. Interim dividend, if any, shall be declared by the Board.
2. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.
4. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

**8. MANNER OF UTILISATION OF RETAINED EARNINGS**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

Market expansion plan:

- Product expansion plan;
- Increase in production capacity;
- Modernization plan;
- Diversification of business;
- Long term strategic plans;
- Replacement of capital assets;
- Where the cost of debt is expensive;
- Other such criteria as the Board may deem fit from time to time.

**9. AMENDMENT**

To the extent any modification/amendment, if required, the Managing Director or Group Head – Legal, Secretarial and Administration or Company Secretary and Compliance officer of the Company are severally authorised to review and amend the Policy, to such extent required. Such amendments and Policy shall be placed before the Board for noting.

**FOR AND ON BEHALF OF THE BOARD**

**Madhavan Menon**  
Chairman & Managing Director  
(DIN: 00008542)

Place: Mumbai  
Dated: 25th May, 2017



# The Management Discussion and Analysis Report

## TRAVEL AND TOURISM INDUSTRY OVERVIEW

The Travel and Tourism industry is a diversity of businesses, services, organizations and communities encompassing domestic, inbound, and outbound travel for business, leisure, MICE, visiting friends and relatives, spiritual or business leisure and hence its stakeholders include businesses, governmental agencies, educational institutions, communities, and citizens across the globe.

The contribution of the industry to each country is significant- both economic and social development; opening up business, trade and capital investment, creating jobs and an entrepreneurial workforce and protecting heritage and cultural values. Today, tourism is a major source of income for many countries, impacting the economy of both the source and host countries.

International tourism now represents 7% of the world's exports in goods and services and tourism has grown faster than world trade over the past four years. As a worldwide export category, tourism ranks third (after fuels and chemicals and ahead of food and automotive products). In many developing countries, tourism ranks as the first export sector.

The United Nations World Tourism Organisation's (UNWTO) *World Tourism Barometer* highlighted that close to 1 billion international tourists travelled in the first 9 months of 2016. Developments in technology and infrastructure, entry of low-cost airlines, eVisas, etc. have made tourism more affordable with a rise in disposable income and brag-worthiness of travel fuelling demand. The WHO estimated that there are around half a million people on board aircraft at any given time.

There have also been changes in lifestyle, tastes, rising household incomes, which has been a positive effect and boost to the industry. Further the industry is supported by e-commerce and m-commerce of various services, which makes it easy, accessible and convenient for customers, offering them greater choice at competitive rates.

Most of the ten largest international carriers are achieving year-round average load factors of 90% or higher, indicating constrained capacity. As per The International Air Transport Association (IATA), the global passenger traffic rose by 6.3% for 2016 compared to 2015. Air travel was

a good news story in 2016. Connectivity increased with the establishment of more than 700 new routes. Fall in average return fares helped to make air travel even more accessible. As a result, a record 3.7 billion passengers flew to their destinations. While demand for air travel is still expanding, the challenge for governments is to work with the industry to meet that demand with infrastructure that can accommodate the growth, regulation that facilitates growth and taxes that don't choke the growth. [Source: IATA Passenger Traffic Results, 2016]

Asia has become the epicenter of growth for business travel. The region is already the world's largest market, accounting for more than a third of US\$ 1 trillion in annual spending globally, and growth over the next few years is expected to dwarf that of other markets. By one estimate between 2014 and 2018, business travel spending in Asia is projected to grow four times as fast as in North America and more than twice as fast as in Europe [Source: Asia Business Travellers – Mckinsey Report, 2015]

## INDIAN TRAVEL, TOURISM AND FOREIGN EXCHANGE INDUSTRY

Travel and tourism is one of the largest service industries in India and has tremendous potential as one of the key contributors to the growth of the nation. India has emerged as the world's fastest-growing outbound market and in absolute numbers it is second only to China. India is enroute to becoming the world's fastest growing e-commerce market with the second largest number of internet users in the world and holiday e-commerce sales are likely to grow at a phenomenal rate. Retail inflation has softened due to declining oil prices and weak domestic demand. Easing inflationary pressures strengthened the impact of reasonable liquidity conditions on market interest rates.

“Athiti Devo Bhava”, (our guest is equivalent to our god), is the ethos of Indian culture and the catch-line of the Ministry of Tourism's Incredible India campaign. The recently released data from the ministry shows a healthy rise in foreign tourists arriving in India. Tourism is a major component of India's foreign exchange earnings.

A statement giving Foreign Tourist Arrivals in India and Foreign Exchange Earnings from tourism for the last eleven years i.e. 2006 to 2016 is given below:

## Foreign Tourist Arrivals (FTA) and estimated Foreign Exchange Earnings (FEE) during the years 2006-2016

Year	Foreign Tourist arrivals (in million nos.)	Percentage change over Previous Year	Estimated Foreign exchange earnings (in Rs million)	Percentage change over Previous Year	Estimated Foreign exchange earnings (in million US\$)	Percentage change over Previous Year
2006	4.45	13.5%	390,252	17.8%	8,634	15.2%
2007	5.08	14.3%	443,600	13.7%	10,729	24.3%
2008	5.28	4.0%	507,300	14.4%	11,747	9.5%
2009	5.17	-2.1%	549,600	8.3%	11,394	-3.0%
2010	5.78	11.8%	648,890	20.8%	14,193	24.6%
2011	6.31	9.2%	775,910	19.6%	16,564	16.7%
2012	6.58	4.3%	944,870	21.8%	17,737	7.1%
2013	6.97	5.9%	1,076,710	14.0%	18,445	4.0%
2014	7.68	10.2%	1,233,200	14.5%	20,236	9.7%
2015(R)	8.03	4.6%	1,351,930	9.6%	21,071	4.1%
2016(E)	8.89	10.7%	1,556,500	15.1%	23,146	9.8%

R: Revised as per BOI

E:Provisional Estimate

[Source: Market Research Division of the Ministry of Tourism]

## Special Government Initiatives

Tourism & Hospitality sector has been the harbinger of 'more inclusive growth' in India by promoting other industries in the economy through backward and forward linkages and generating employment in various sectors such as hospitality, travel, and entertainment, wellness and other sectors.

A series of promotional activities have been undertaken by Ministry of Tourism (MoT) in important and potential markets overseas through India Tourism offices abroad with the objective of showcasing India's tourism potential to foreign tourists.

The aspect of 'seasonality' in Inbound tourism is a challenge and The MoT has taken the initiative of identifying, diversifying, developing and promoting niche products of the country, including Cruise, Adventure, Medical, Wellness, Golf, Polo, Meetings Incentives Conferences & Events (MICE), Ecotourism, Film Tourism and Sustainable Tourism.

An Incredible India Tourism Investors Summit was organized in September 2016 and the 5th International Buddhist Conclave was organized in Delhi, Varanasi, Sarnath and Bodhgaya in October 2016 by the MoT, in collaboration with the State Governments of Uttar Pradesh and Bihar.

The North East region of India is being promoted by the MoT through several media campaigns. The region is also being promoted through the annual International Tourism Mart. The 5th International Tourism Mart was organized in November 2016 in Manipur.

To expand the market, the announcement of two major schemes viz. Swadesh Darshan - Development of Theme-Based Tourist Circuits and PRASAD- Pilgrimage Rejuvenation and Spiritual Augmentation Drive for development of tourism infrastructure in the country including historical places and heritage cities was highly welcomed.

The Government's focus on reassurance by providing connectivity to tourists to enable them to stay in touch with their family and also reach the 24x7 Multi lingual toll free helpline of MoT pre-loaded Sim Cards are being provided to foreign tourists along with e-Visas from 15th February 2017 in collaboration with Bharat Sanchar Nigam Ltd., (BSNL).

UDAN (Ude Desh ka Aam Naagrik), the Government's regional connectivity scheme is another key initiative that intends to make travel affordable by connecting unserved and underserved destinations and hence expand the domestic market.

## NON TRAVEL SERVICES

### Subsidiaries:

#### Quess Corp Limited

Quess Corp Limited (Quess) is India's leading business services provider. Founded in 2007 and headquartered in Bengaluru, the Company has a presence in India, North America, the Middle East and South-East Asia. Powered by a team of more than 1,89,000 people, Quess caters to four service lines: People & Services, Global Technology Solutions, Integrated Facility Management and Industrials.

In a volatile global economic landscape, with shifting consumer preferences and far reaching technological changes, businesses are increasingly feeling the need to focus on what they do best. Quess excels in helping large and emerging companies focus on their strengths and handling the rest. Quess' integrated service offerings across industries and geographies provide significant operating efficiencies to its clients. With operations across India and the world, Quess is acting as a force multiplier for its clients. At the same time, Quess is deeply rooted in its core values that enable it to navigate business challenges, build scale and synergies, and produce lasting results for its clients and all other stakeholders.

Quess announced six acquisitions and investments in FY 2016-17 and all transaction closings happened in Q3 and Q4 of the year, with the exception of Manipal Integrated Services Pvt. Ltd., which is expected to close in FY 2017-18. The financial results of FY 2016-17 are not reflective of these acquisitions. It is expected that the financial consolidation of these acquisitions will commence in full form in FY 2017-18.

Quess went public on 12th July, 2016, raising ₹ 4,000 million through a fully primary equity issuance in India's most successful IPO in terms of oversubscription (147 times) over the past 5 years.

#### Sterling Holiday Resorts Limited

Sterling Holiday Resorts Limited (Sterling Holidays) is a leading holiday lifestyle company in India and the pioneer of Vacation Ownership in India, with a current inventory of 2124 rooms spread across 32 resorts.

- In March 2016, Sterling Holidays acquired 'Nature Trails Resorts Private Limited' - an adventure holiday company that operates resorts at four unique destinations in Maharashtra
- Average down payment % for vacation ownership products increased from 18% to 32% due to increase in contributions from higher down payment plans
- Occupancies grew from 57% in FY 16 to 63% in FY 17 on an increased available room base. (Member room nights increased by 26% and non-member room nights increased by 42%)
- Sterling Holidays has completed refurbishment of all its resorts and they are now best in class.

## TRAVEL AND RELATED SERVICES

### Subsidiaries:

#### Travel Circle International Limited, Hong Kong

Travel Circle International Limited acquired 100% stake in Travel Circle International Services Limited [formerly known as Kuoni Travel (China) Limited, Hong Kong]. In December 2016, vertical amalgamation between Travel Circle International Limited and Travel Circle International Services Limited has become effective. This company operates as the leading premium tour operator in Hong Kong with a focus on the high-end niche market of all-inclusive group long haul leisure travel and business travel.

77% of the tour operating sales is generated from its B2C segment (across 4 retail stores, call centre and website); the remainder via its third party B2B channel

Initiatives: During 2016, Travel Circle International Limited further consolidated its leading premium position in the Hong Kong market by further enhancement on unique service and product differentiation. Outstanding product quality is a key hallmark with focused efforts on developing and designing new tour programs aimed at bringing unique travel experiences to its discerning customers, via an intimate understanding of cultures and peoples.

The company leveraged geo-political challenges in Europe to effectively shift focus to Australia-New Zealand by creating delightful special experiences like star gazing on Mount Cook, helicopter rides over Ayers Rock, etc.

Customer Service: Having set itself the goal of perfecting every moment of the travel experience, a dedicated 3 tier customer contact (before, during and after travel) was redesigned to interact and collect feedback to enhance service delivery at each customer touch point. The customer score for all service elements (service and destination experience) improved to 8.8/10 in 2016 from 8.3 in 2015; the service score has reached 9.2 in 2016 against 9 in 2015

The website was updated and modernized with a path-breaking contemporary new look- both visually appealing and informative to enable customers shape their holiday from the comfort of their desktops or handheld devices.

The new website, together with social media initiatives, tour escort blogs and online editorials have provided consumers with valuable tour content and attractive images/videos to serve as holiday inspiration.

During 2016, the company launched a brand campaign spearheaded by a new TV commercial that also leveraged online platforms and highlighted "The Perfect Moment – meticulously prepared by the company".

### SOTC Travel Services Private Limited

SOTC Travel Services Private Limited [formerly known as Kuoni Travel (India) Pvt. Ltd.] (SOTC) is a leading travel and tourism company active across various travel segments including Leisure Travel, Business Travel and Distribution Visa Marketing Services.

- SOTC entered the Travel E-Commerce space with the launch of its all new [www.sotc.in](http://www.sotc.in)
- SOTC won the 2016 PATA Gold Award for its Perfect Moments - Luxury Travel Brochure
- SOTC Travel Services Pvt. Ltd. won Zendesk's 'Best Customer Experience' Award for the year 2016.
- It also won the CNBC Best Risk Management Framework Award in the Travel and Hospitality sector.
- SOTC released a new TV campaign, that asks Indians not to postpone their holidays and make holidays a priority

#### *Leisure Travel*

SOTC tours have escorted lakhs of travellers across the globe for more than 50 years to various destinations around the world and is one of the leaders in segments, namely Escorted Group Tours, Customised Holidays, Holidays of India and MICE amongst others. A new age innovative holiday maker, SOTC strives to make holidays a priority for every Indian.

#### *Corporate Tours*

With a dedicated team of over 100 professionals across India who specialize in meetings, incentives, conferences and events, SOTC's customer focused strategies and national reach have consistently ensured market leadership in the outbound MICE segment.

#### *Business Travel*

Business Travel India, is amongst the leading travel management companies providing customised travel and travel-related solutions for 400 of India's top corporates. With leading edge technology, user-oriented software applications and strong focus on service and customer needs, Business Travel has firmly established itself as the expert in the corporate travel segment.

Pursuant to the Order of NCLT, the Outbound Business Division of SOTC would be transferred to SOTC Travel Private Limited and the residual SOTC, which includes Leisure Inbound Business Division would thereafter be amalgamated with Travel Corporation (India) Limited. This scheme will become effective on completion of regulatory submissions.

### Travel Corporation (India) Limited

For over 50 years, Travel Corporation (India) Limited (TCI) has perfected the art of making the entire travel experience memorable. TCI is India's premier Destination Management Company with an impeccable record in all aspects of leisure inbound travel business in India, Sri Lanka, Nepal and Mauritius.

TCI believes in giving individuals and small groups an authentic and sustainable travel experience where travellers experience the great outdoors, local customs and charming hospitality, flavourful traditional cooking, stimulating art and music and intriguing architecture in a unique yet easily accessible manner. Driving this initiative at TCI is its Destination Knowledge Centre which travels all over the Indian subcontinent in search of compelling stories to inspire destination travel and to ensure that its clients are in the know.

TCI's Destination Knowledge Centre views that locals always know the best kept secrets that will bring long-term success to a particular destination. So its constant endeavour is to listen to locals, initiate partnerships, engage them and determine mutually beneficial alignments to ensure its customers enjoy a truly local experience.

Post the acquisition of SOTC Travel Services Private Limited (formerly Kuoni Travel (India) Private Limited), its inbound division (KDM/ SITA) would add value and growth opportunities for this segment.

### Thomas Cook Lanka (Private) Limited

Thomas Cook Lanka (Private) Limited, Sri Lanka operates in foreign exchange business which includes buying and selling of foreign currencies in Sri Lanka at Arrival and Departure terminals of Bandaranayake International Airport, Colombo serving millions of passengers arriving to and departing from Sri Lanka and having branches at Negombo and Colombo (Crescat) for purchasing foreign currency. It offers convenience and best in class service to customers both at the airport as well as in Negombo and Colombo.

During the year, your Company, through its wholly owned subsidiary Thomas Cook Lanka (Private) Limited in Sri Lanka, acquired SITA World Travel Lanka (Private) Limited (SITA), Sri Lanka in August 2016. Based in Sri Lanka, SITA is focused primarily on Leisure travel business. Thomas Cook Lanka (Private) Limited serves as an investment vehicle for any proposed future investments into Sri Lanka subject to requisite regulatory approvals.

### Thomas Cook (Mauritius) Operations Company Limited

Thomas Cook (Mauritius) Operations Company Limited, Mauritius has seen good growth in foreign exchange operations for the financial year 2016-17. The company went ahead with an aggressive market strategy coupled with efficient management of costs exercise undertaken and the results could be visible in the form of increased profitability of the company to the tune of 500%. With the increased inflow of FDI into the country and the economy continuing to pick up the moderate growth path, the company is expected to increase the market share and its performance in foreign exchange and money transfer businesses.

Travel and holidays business is witnessing high competition from its competitors and could manage a marginal increase in sales during this year. The focus is on increasing the outbound tours and package sales to major Asian markets. The company is continuously exploring other destination markets, together with new business partners from other islands, so that the benefit of growth synergy could be increased specially in the scenario of the group growing to multiple continents.

### Thomas Cook (India) Limited

#### **Leisure Travel (Outbound):**

The key factors driving India's increased demand for outbound travel: a strong economy with a stable central government; a burgeoning middle class (estimated at almost 300 million, set to grow from the current 32% to 50% by 2030) the large diaspora and growing openness to the outside world, in particular from the younger generations. Second only to the Chinese, the number of Indian students studying abroad has risen sharply, in recent years, further stimulating travel abroad.

It is no wonder then, that the world of tourism is starting to take note:

- Tourism Australia, aiming to get 300,000 Indian tourists by 2020
- Israel Tourism plans to invest Rs 130 mn on promotion campaigns in India
- The South African Tourism Board says India has become one of the key tourism generating nations
- Qatar Airways' order of 100 new jetliners to power its push into India
- Singapore reported a 29% increase in Indians cruising from Singapore
- Visit Britain aims to achieve 80% growth by 2020

#### *The Indian Outbound Traveller*

There is a strong distinction between the middle class tourists, who often travel on a value/budget packaged tour and a small but rapidly growing affluent segment, looking for all the prerequisites of luxury travel.

In the face of geopolitical challenges (including global acts of terror, migration concerns in Europe, Brexit, visa challenges, travel bans, demonetisation and increased service tax) your Company was faced with subdued consumer sentiment and hence launched a series of innovative product and promotional initiatives to catalyse demand:

- Grand Indian Holiday Sale- a 10 day tactical promotion country-wide with attractive discounts and value offers
- New destinations launched e.g. Croatia, Serbia, Spain-Portugal, China with Tibet, South America
- Unique hybrid tours launched to target India's millennials
- New emerging segments tapped, including Gen S, the woman traveller, Gen Y/Millennials and the student/study tours segment
- Foray into the emerging Regional Tier II & III markets with focused regional tours and vegetarian departures
- Focus on the viable cruise opportunity by designing "fly-cruise" and all inclusive cruise holidays

The Leisure Outbound business underwent a restructuring to align with its customer-centric focus- incorporating a 3 tiered backend team comprising Contracting, Products and Operations and a front-end Team of Sales and Servicing. .

#### *GIT (Group Tours)*

Your Company's group inclusive tours continued to see strong uptake across geographies and the introduction of special products has helped in targeting emerging segments like Regional India via Vegetarian Tours, Marathi Tours, Gujarati Tours, Festive Tours. A unique concept of "Theme Park Specials" was launched to entice children- India's new decision makers!

#### *FIT (Individual Travellers)*

A paradigm shift in FIT products has been made in 2016 with new concepts launched including – 'Do it Yourself' itineraries for experienced travellers, 'Family Getaways' with theme parks, 'Love Trails' for honeymooners, 'Go Beyond' with engaging experiences.

#### **Corporate Travel:**

Your Company is seeing an increasing trend of corporate customers seeking to utilize our Online Booking Tool, rather than providing their booking requests offline through other means. They are realizing the benefits that the online tool can drive, which are related to policy compliance, cost savings and optimizing travel spend. With a buoyant business sentiment, corporates while exercising prudence and seeking to extract the maximum out of their travel budgets, have not put any restraints on cutting down of official travel, and trends continue to look positive.

With domestic LCCs continuing to enhance their fleet strength and adding on capacity, the Average Ticket Prices continue to show a downward slide, leading to a growth in the number of passengers. The higher end front cabins on international sectors see a good demand, thereby increasing the average yield. During the holiday season, last minute travel continued to be a costly affair, with demand outpacing availability. Customers are now increasingly seeing the benefits of consolidating their travel in India for all their locations across the world. Cost saving is driving this trend.

#### **MICE (Meetings, Incentives, Conferences, Events):**

MICE offers a potential for high revenue earning with limited resources. Business saw an upswing and took advantage of currency stabilisation and there was a demand for new destinations with experiential product. However, stringent visa policies in destinations created a challenge. Despite intense competition amongst large and small players in the sector, your MICE business has registered significant top line growth by cementing strong relationships with several corporate houses, tapping new markets and clients. Focus on Domestic market resulted in strong growth for the business.

#### **E-Business:**

Over the years, Thomas Cook has been focusing and leveraging on digitally empowered Indian consumers. Today, your Company's e-commerce accounts for over 21% of its holidays business and over 17% of its overall travel business. The online channel now caters to all travel needs of customers: International Holidays, India Holidays, Foreign Exchange, Visa, Flights, Hotels and Travel Insurance. Considering the next-gen mobile audience, Thomas Cook's E-Business had successfully launched innovative

mobile applications i.e. the Forex App & the Holiday App which has seen over 25% month-on-month growth in organic downloads. Over 40% of your Company's website traffic and 20% of its sales are contributed through the Mobile Commerce.

Your Company has been sustained in its omni-channel customer experience by investing in the right technological innovations and enhancements.

#### *Online Holidays*

Considering the competition in the online channel, Thomas Cook's E-business team's 2 pronged strategy of continuous improvement of the customer journey on its portal coupled with creating value driven new product lines for the deal seeking online consumer has seen a healthy growth in sales in the financial year 2016-17.

Holidays (Domestic & International) sold through this channel has seen an increase in sales by 75% on a year-on-year basis.

- Given the strong demand for your Company's "Simply Series" (value products), the product line was extended to East Europe, Switzerland, Paris, France, Italy, Greece, Spain, etc.
- In a focussed initiative to target the discerning online customer, your Company's online business has paid strong attention to Customized Packages, focusing on events & festivals, cruise packages, etc

#### *Online Foreign Exchange*

A path breaking journey continues as far as Online Forex is concerned. At a click of a button, your Company provides buy/sell of Foreign Exchange along with the Thomas Cook Borderless Prepaid Card & One Currency Card. Customer empowering value added services include, free home delivery, rate alert option, & blocking rate by paying 4% advance.

Forex transactions and sales through the online channel have grown by 48% and 35% respectively over the FY 15-16.

#### *Achievements*

Post successful launch of its Forex App for Android and iOS platforms, a significant increase was seen in app downloads and transactions

- App Features: Buy Forex with doorstep delivery, rate alert, currency convertor, block rates, multiple options to carry your foreign exchange
- Enhanced user interface was introduced for a seamless customer journey
- 'live chat' feature was launched
- Remittance helping customers to transfer money abroad with ease.

#### *Online Visa*

Your Company launched Visa Online - the first visa application online platform in India-a comprehensive solution for all visa needs that incorporates detailed visa requirements per destination, downloadable visa forms, consulate addresses and timings, processing duration, and visa costs.

Visa transactions and sales through the online channel have grown by 110% and 105% respectively over the FY 15-16.

#### *Mobile Apps/m-Site*

India, being the world's fastest growing e-commerce market, online booking though mobile is increasing exponentially – across holidays, flights or hotels.

India already has a mobile consumer base of over 850 Mn, and the growing acceptance of smart phones and internet penetration has provided access to a wide range of travel products and services making m-bookings simple, easy and convenient.

Mobile sales have increased to 500% over the FY 15-16. After launching Holiday & Foreign Exchange mobile app, there were 1.70 lakh downloads. Around 55% customers' access Thomas Cook portal via Mobile & mobile being a preferred channel to access the travel needs which will dominate the market in the coming years.

#### **Domestic Travel:**

Thomas Cook India's domestic business has been leveraging the market potential of metros and tier II and III cities and is already showing a strong growth of 23% YTD .



Strategic focus on underleveraged demand for Himalayan destinations and experiences, has resulted in healthy uptake for destinations like Bhutan, North East and Himachal Pradesh, surpassing the last year by over 55%. Over 50% growth in demand was also witnessed for destinations like Andaman, Kerala and Ladakh. Government initiatives like “UDAN” will fuel growth for domestic travel by making air travel more affordable especially for regional markets. With new airports and infrastructure projects on the anvil, less accessible/ unexplored destinations will see potential.

Pilgrimage journeys in the form of special interest market has also seen uptick and demand across India e.g. Kailash Mansarovar Yatra and Char Dham yatra have clocked very positive numbers.

#### **Visa and Passport Business:**

TC Visa Services (India) Limited has exhibited both qualitative and quantitative growth in the year 2016-17. With around 2 million transactions for the year 2016, a growth of 10% coming from direct walk-in applicants and growing at a steady pace. Apart from catering to the Travel Businesses of your Company and adding direct external customers for their visa/ passport business, it also serves ancillary transactions [Attestations, Legalization, Apostille, Translation, Notarization of documents, Foreigners Regional Registration Office (FRRO) registration/ visa extension/ exit permit, procures People of Indian Origin (PIO) / Overseas Citizen of India (OCI) cards]. Additionally, Your Company has launched services of booking Visa requests online on the Thomas Cook portal and through the call centre, which adds to the ease of the services provided to the travellers and growth of standalone visa requests.

The business is poised for further growth in view of increase in Indians with high disposable incomes travelling overseas on holidays.

#### **Centre of Learning (COL):**

The primary objective of Centre of Learning is to proactively facilitate talent management and to grow, harness and nurture the skill sets required for the Tourism and Travel Industry. COL serves as a guide and mentor to the travel industry via several forums, industry meets and associated education programs like: Certificate Course in World Tour Management, Certificate Course in Travel & Tourism Management, IATA – Foundation/ Consultant Course, Travel Professional Program.

During the year, 385 students were certified by the Centre for various programmes.

COL was honoured with the prestigious “South Asia Top Performing Authorized training Centre 2015 and 2016” by IATA. This is in recognition of the outstanding contribution towards developing human capital by reaching out to the next generation of leaders in the evolving tourism industry in India.

The Centre tied up with Tourism Boards of various countries to impart Destination Training to Travel Agents in India. 1268 travel agents were trained on behalf of Thailand Tourism Board & Madhya Pradesh Tourism Board across 20 cities.

#### **FINANCIAL SERVICES**

##### **Foreign Exchange business:**

Your Company is one of India's largest foreign exchange dealers in both the wholesale and retail segments of the market, by virtue of its extensive network as well as sales, and one of the few non-banking institutions to have been granted an AD-II licence by the Reserve Bank of India.

The foreign exchange business has two segments:

- **Wholesale:** Currency buying and selling services to institutions such as banks, full-fledged money changers and restricted money changers. Your Company consolidates the foreign currency bank notes at a central place and then physically exports them to banks in other parts of the world in exchange for credit in NOSTRO accounts maintained with them.
- **Retail:** Foreign exchange services to individuals who either walk-in at Company shops, airport locations, transact online or through

your Company's call centre or transact with channel partners of your Company. These services are provided to leisure travellers who are travelling abroad or returning after travel, foreigners travelling to India, students/ film production houses, individuals who receive money from relatives staying outside India or those who remit monies outside. Apart from this, your Company also services employees of corporate clients who travel on business.

Your Company's business model revolves around leveraging its position as an authorised dealer with systems, ability and experience of handling large volumes of foreign exchange transactions for both wholesale and retail customers in a more cost-efficient manner.

Your Company is recognised as the leader in both the retail and wholesale segments of the foreign exchange market. There is no other player of comparable scale in India who straddles the foreign exchange market across both of these segments. Your Company handles around 1.3 million transactions annually and is one of the largest exporters of bank notes globally.

In foreign exchange retail, your Company differentiates itself through its:

- Strong distribution network with retail outlets across India (180 locations across 83 cities in India)
- Outlets at relevant and highly visible locations such as international airport terminals (17 outlets across 3 airport terminals in India, Mauritius and Sri Lanka)
- New and innovative channels like internet and call center
- Established brand image with retail customers
- Ability to offer multiple currencies and an extensive range of services and products for various consumer segments
- Price leadership, leveraging your Company's ability to operate a dealing room with access to market intelligence and NOSTRO accounts, which facilitate enhanced risk management and provide greater operational control
- Established logistics network for physical transfer of notes and security

Your Company's products and services include:

- Wholesale and retail purchase and sale of currency notes (26 currencies)
- Purchase and sale of foreign currency denominated traveller's cheques
- Borderless Prepaid Multicurrency Travel Card - Thomas Cook branded prepaid foreign currency card (in association with MasterCard)
- Foreign currency pay orders (eight currencies)
- Outward remittance in 120 currencies
- MoneyGram branded Inward Money transfer (person-to-person money transfer service), Xpress Money branded Inward Money transfer

##### *Foreign Exchange Business Performance:*

During 2016-17, overall volumes decreased by 2% as compared to previous year. In the year 2015-16 Rupee has witnessed downward spiral on account of Chinese Yuan devaluation and slid to its weakest in two years. However 2016-17 was definitely a year full of action. We had major events during this year including Brexit, and the Demonetization. Aforesaid events had a significant impact on the markets.

The year saw Company's portfolio of retail products sales decreased by 3%. Getting a large countrywide channel partner on board, coupled with strong focus on high engagement social media platforms, helped the student business grow by 20%. The leisure travel trends for both group and individual travel business decreased by 14%. The 'Maintenance of close relatives' category of outward remittance saw de-growth of 1% on account of stringent regulatory compliance. Encashments have decreased by 15%



over last year majorly due to decrease in Airport encashment by 22% on account of changing economic environment due to demonetization.

Your Company continued its focus on acquisition of new clients and strived to provide un-paralleled customer service along with a suite of products. However demand of Forex from Corporates has reduced, leading to a de-growth of 2%.

Your Company further strengthened its Inward Remittance business, both from a penetration perspective as well as from a business growth perspective. According to the issue of the World Bank's 'Migration and Development Brief', released on April 21, 2017, with remittance flow around US\$ 62.7 billion in 2016, India remained the world's largest recipient country. Global remittances, which include those to high income countries, contracted by 1.2% to US\$ 575 billion in 2016, from US\$ 582 billion in 2015. Low oil prices and weak economic growth in the Gulf Cooperation Council (GCC) countries and the Russian Federation are taking a toll on remittance flows to South Asia and Central Asia, while weak growth in Europe has reduced flows to North Africa and Sub-Saharan Africa. "Remittances to India, the (South Asian) region's largest economy and the world's largest remittance recipient, decreased by 8.9% in 2016, to US\$ 62.7 billion. This marks the first decline in remittances since 2009," the World Bank report said. Your Company has de-grown its inward remittance business by 16% over last year.

Your Company's own Multi Currency Prepaid Travel Card (Borderless Prepaid Card), launched in 2012 in association with MasterCard and Access Prepaid Worldwide, continued to grow at high double digit year on year growth rate. The Borderless Prepaid Card was loaded with US\$ 329 million for the period April 1, 2016 till March 31, 2017 with an average monthly load of US\$ 27 million. Over 260,000 cards have been sold since the launch of the product in 2012 with a total load volume of US\$ 1101 million.

To keep pace with the changing needs of the customers and to ensure seamless delivery, your Company invested in new technology in 2016-17, ensuring better response times, improved management reporting and reduction of effort for the employees. Your Company will continue to enhance its technological backbone with the objective of customer service and delivery.

In a bid to transform the payment-solutions space, your Company, in December 2015, announced the launch of the 'Thomas Cook One Currency Card' – India's first prepaid travel card with zero cross currency conversion fees, in collaboration with MasterCard Worldwide. The Thomas Cook One Currency Card empowers customers with its USP of a single load currency (US\$) and zero cross currency conversion charges, across the world.

Added benefits of the Thomas Cook One Currency Card include embedded chip and PIN security, locking of funds (to avoid cross currency fluctuations), instant loading, emergency cash disbursement, encashment of the residual balance or use for future travel, free replacement card in case stolen or lost and 24x7 global emergency assistance available via toll free access in over 80 countries global access via 2.2 million ATM's and 35.2 million merchant establishments in over 275 countries.

In a bid to transform the payment-solutions space, your Company, in December 2016, announced the launch of the 'Thomas Cook INR Card' – for foreign tourists come to India in collaboration with Development Credit Bank. The Thomas Cook INR Card empowers foreign customers to travel all over India with its USP of a single load currency (INR).

Added benefits of the Thomas Cook INR Card include PIN security, instant loading, encashment of the residual balance or use for future travel up to 3 years, free replacement of card in case stolen or lost and facilitates ATM withdrawal with charges of ₹ 23 per withdrawal in ATM of all the banks. Card volume will be ₹ 50,000- 200,000 in a year.

This year, your Company put in significant efforts to continue to be the preferred choice for customers on-the-go and expanded its abilities to serve consumers through various new channels. Your Company became one of the only companies in India and the first Non-Banking entity to

have an Online Forex Store to offer a simple and easy buying experience to customers for their Foreign Exchange requirements. In addition to purchasing their Foreign Exchange online in the form of Borderless Prepaid Multicurrency Card, Traveller cheques or Currency notes in 26 destination currencies, customers can also request for money transfers in 120 currencies, encashment of their foreign currencies and also reload of the Borderless Prepaid Multicurrency Travel Card from the Online Forex Store.

The year also witnessed the launch of "Call for Forex" service which helps customers order their Foreign Exchange over a call, along with the Mobile Forex store and Forex through SMS to increase convenience for consumers who are on the move and need to access services via the mobile phone. These were significant introductions that reiterated the position of your Company as one of the leaders in the Foreign Exchange business in India and also as an innovative, technology driven service provider in the payments space.

#### **Insurance Business:**

Given the broad base of discerning Thomas Cook customers who rely on Thomas Cook for end to end travel services, your Company also offers both overseas as well as domestic travel insurance.

Your Company continues its focus on Travel Insurance with the strategy of being a complete travel solutions provider and ensures that the customer is advised and educated about the benefits of travel insurance. The company tries to understand the specific needs of each customer and business segment and offers the best product to suit their requirements.

Your Company has actively engaged with all the lines of businesses (like Leisure Travel, Forex, MICE, Corporate Travel, Visas, etc) by regular training programmes and deeper interactions to offer the products to their specific set of customers. This has helped in improving the penetration of insurance in every business, garnering higher share of customer wallet and building customer loyalty.

With technology being the main driver, your Company continuously works towards making processes seamless for its customers.

#### **Getting Future Ready:**

Your Company has moved rapidly in strengthening the online business over the last few years which currently contributes upwards of 21% of the overall Leisure Travel business - uniquely positioning it in the industry via a versatile hybrid 'clicks & bricks' model. An extensive retail network coupled with a robust online business model, ensures both acquisition and servicing of customers both offline and online.

Acquiring customers online has also helped in reducing the cost of acquisition, while giving customers a seamless experience across all channels, resulting in improved customer satisfaction.

With an intent to build an annual property, your Company introduced a mega promotional campaign called the GRAND INDIAN HOLIDAY SALE, a 10 day sale across online and offline channels, backed by promotions across Print, Outdoor & Digital, which offered customers unbeatable offers nudging them to book a holiday. The outcome was an almost 100% surge in online traffic and walk-ins at the stores during the campaign period.

#### **Innovation**

##### *Holiday Savings Account*

This path-breaking product that allows customers to break the cost of the holiday into 12 installments and save for it every month via an RD account with a bank, that your Company is associated with, was launched in 2014 and has been very well received. 2016 saw the launch of another variation of Holiday Saving account where a customer can open an RD account and save for a holiday and this allows the customer to select from a bigger bouquet of packages. In the FY from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 your Company 7132 RDs, with over 15,000 customers who have booked a holiday to travel in the following year. This product helps acquire customers at a very early stage of the customers' life cycle and helps building long term relationship with first time customers.

Your Company is now associated with 6 banking partners: IndusInd Bank, ICICI Bank, State Bank of India, Kotak Mahindra Bank, Andhra Bank and Bank of Baroda- with the last two being new additions this financial year.

#### *Travel Quest*

To monetize the opportunity created by the Travel Quest Quiz platform, Travel Quest the Study Tour vertical of your company has executed more than 100 study tours for almost 3000 students to destinations across the globe. Popular destinations have been USA, Europe, Singapore, Malaysia and China.

Every Travel Quest itinerary is customized to match the desired learning outcome for the school or college and is a perfect blend of fun and education. Apart from just K12 institutions, Travel Quest has become a preferred partner of many higher Education institutions including Management Institutions, Architecture Colleges and Engineering colleges.

Some of the educational institutions that have embarked on Travel Quest experiential journeys include: IIT-Delhi, IIM-Indore, Campion School, Hiranandani School, Unison World School, Oak Ridge High Chain of institutions, Heritage School, Sai International School, Delhi Public School(s), Raj Kumar College & St. Joseph College of Commerce.

#### *Gift Cards*

Gift cards, which were introduced as an alternative to traditional gifting methods, has also done exceedingly well this financial year- growing from around ₹ 1 Cr. in sales on April 1<sup>st</sup> 2016 to ₹ 8.25 Cr. at the end of March 2017. This innovation has witnessed an encouraging uptake from both corporates - who see the platform as a great way to reward their customers and dealers, as well as retail customers, who see it as a versatile gifting option.

#### *Alliances:*

The endeavor of alliances and partnerships has been to provide various business opportunities that are both inward and outward focused for the Group. The big need for consolidation, data analytics for informed decision making and cost efficiencies saw your Company partner with few industry leaders. Your Company has built strong platforms through these partnerships.

- Tie up with Ola Corporate has resulted in consolidation of local conveyance expenditures and is expected to see savings of over 15%
- Telecom consolidation is expected to deliver 20% savings
- Office supplies and stationary is also expected to show savings of 15%

Your Company's Partnership with Avanse Students loans is now the 2<sup>nd</sup> largest channel for Tuition Fee Remittances. Brand campaigns have seen us bundle value for consumers with partners like shopperstop.com and Victorinox, Jabong coming onboard our forex and Visa service campaigns. There are other brands that are in the pipeline to deliver value to consumers.

### **FINANCIAL PERFORMANCE**

#### **Thomas Cook (India) Limited and its subsidiaries:**

On a consolidated basis, the Profit/ (Loss) before tax stood at ₹ 1913.7 million (previous period ₹ 9.2 million) and the Profit/(Loss) after tax & Minority Interest was ₹ 381.8 million (previous period ₹ (778.9) million).

- Total Income increase of 41% from ₹ 61.6 Bn. to ₹ 86.8 Bn.
- PBT (before exceptional items) increased by 101.9% from Rs 947.7 Mn. to ₹ 1,913.7 Mn.
- Book value increased from ₹ 36.91 / share to ₹ 49.11 / share ( 33% growth)
- On an annualized basis, the consolidated travel businesses of the group saw a revenue growth of 79.7% from ₹ 21.7 Bn. to ₹ 39.1 Bn.

On a standalone basis, your Company posted Profit/(Loss) before tax of ₹ (54.3) million (previous period ₹ 73.3 million) and Profit/(loss) after tax of ₹ (83.5) million (previous period ₹ 53.8 million).

#### **Quess Corp Limited:**

Quess Corp reported a revenue growth of 21% to Rs 41,574 million (against Rs 34,350 million in FY16); EBITDA growth of 47% to ₹ 2,228 million (against Rs 1,511 million in FY16) and PAT growth of 40% to ₹ 1,134 million (against Rs 812 million in FY16). Its headcount /resources stood at more than 1,89,000 at the end of 2017.

#### **Sterling Holiday Resorts Limited (formerly known as Thomas Cook Insurance Services (India) Limited):**

The company's operating income (including interest income on trade receivables) grew by 12% from ₹ 2,233 Mn in 2015-16 to ₹ 2,493 Mn in FY 2016- 17; Income from resort operations grew by 39%; Occupancy grew from 57% in FY 2015-16 to 63% in FY 2016-17 on an increased available room base; Sterling expanded its room inventory to 2124 rooms from 2004 rooms in FY 2015-16. The company has completed refurbishment of all its own resorts and they are now best in class.

The Group undertook an extensive restructuring exercise, including a series of initiatives across business lines and subsidiaries. These long term measures are key components of the Group's plan to focus on sustainable long term growth.

#### **Travel Corporation (India) Limited:**

The Company's Revenue from Operations has grown by 21.72% from ₹ 1,579.20 Mn. in 2015-16 to ₹ 1,922.19 in 2016-17. Operating Cost has come down by 29.82% from ₹ 404.23 Mn. in 2015-16 to ₹ 283.68 Mn. in 2016-17, due to restructuring in business after acquisition of inbound division of Kuoni Travel (India) Private Limited.

Profit before tax is down from ₹ 55.38 Mn. in 2015-16 to ₹ 43.01 Mn. in 2016-17.

#### **SOTC Travel Services Private Limited (formerly known as Kuoni Travel (India) Private Limited):**

For FY 2016-17, SOTC Travel services Private Limited grew its operational revenue by 6% over FY 2015-16. Other income was lower by 44% in FY 2016-17 as there was a one-time investment income in the previous year. The cost of tours was higher by 9% as compared to F.Y. 2015-16. Margins remained under pressure due to competitive environment. The company managed to reduce the indirect cost by 4% through various cost measures. The overall EBITDA reduced from ₹ 772 million to ₹ 550 million. Business travel grew as it had won few prestigious clients. SOTC Travel services Private Limited won Zendesk's 'Best Customer Experience' Award for the year 2016. It also won the CNBC Best Risk Management Framework Award in the Travel and Hospitality sector.

In 2016, as part of improving efficiencies, the company had decided to segregate outbound and inbound businesses into separate legal entities through a scheme and the scheme has been approved by the Order of the National Company Law Tribunal (NCLT), Mumbai Bench on 19th April, 2017.

Pursuant to the Order of NCLT, the Outbound Business Division of SOTC Travel Services Private Limited would be transferred to SOTC Travel Private Limited and the residual SOTC Travel Services Private Limited which includes Leisure Inbound Business Division would thereafter be amalgamated with Travel Corporation (India) Ltd (TCI). This scheme will become effective on completion of regulatory submissions.

#### **Travel Circle International Limited:**

Revenue for FY 2016-17 stood at ₹ 4.7 Bn. Since the company was amalgamated during the year, prior period figures are not comparable.

#### **Thomas Cook Lanka (Private) Limited:**

The total income for FY 2016-17 reduced by 10% from ₹ 113.9 mn in FY 2015-16 to ₹ 102.3 mn due to increased costs and taxes.

#### **Thomas Cook (Mauritius) Operations Company Limited:**

The total income in FY 2016-17 increased by 22.9% to ₹ 116.7 mn from ₹ 95.0 mn in FY 2015-16.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control systems are embedded in all processes across all functions in your Company. These systems are being reviewed regularly and wherever necessary, they are modified or redesigned to ensure better efficiency, effectiveness and improved controls.

The application systems for individual businesses are backed by an integrated SAP Accounting System. These integrated systems form part of the overall control environment.

Process and systems are subject to Internal Audit through an annual internal audit plan approved by the Audit Committee. These are further supported by the Statutory Auditors who validate that the financial reporting is true and fair. The results of all audits are discussed with the Senior Management and reviewed by the Audit Committee. The Audit Committee meetings are held every quarter. Your Company has also adopted the system of Concurrent Audit, in line with the RBI guidelines for its Foreign Exchange business across all the branches. This has been effective since October 2003.

Anti Money Laundering policy is regularly reviewed and updated, incorporating applicable revisions therein according to the modified guidelines issued by RBI.

## RISKS AND CONCERNS

Your Company has a Management Risk Committee chaired by the Chairman and Managing Director with Executive Committee as the members of the Risk Committee. Risk Committee meetings are held at regular intervals, in addition to emergency meetings, if needed, to address the risk issues relating to various businesses and support areas and monitor critical risk factors in order to effectively address them. A key risk report indicating the key risks and controls in place to mitigate the risks are presented to the Risk Committee and the Audit Committee. Risk Management limits on foreign exchange exposure and credit limits for counter parties are set and reviewed periodically.

## INFORMATION TECHNOLOGY

Your Company continues to invest in IT, leveraging it as a source of competitive advantage. Your Company has enhanced the technology platform to continuously augment functionalities in all channels including website, call center, branches and mobile and also strengthen delivery capabilities and technology infrastructure.

Your Company's investments in its IT infrastructure support various business applications and the internet is the primary medium to connect remote users to the business applications with necessary security. Your Company is investing in capabilities that will help to reach out and engage with the customer; using mobile technology.

Your company has also made investments in a new robust web site platform to harness the power of the internet and e-commerce. These capabilities will not only increase the number of customers that can be reached but also dramatically change in which your Company engages with them in a personalized manner. Your Company is also leveraging the Customer Relationship Management (CRM) system to create an effective omni-channel for making customer experience more seamless.

The technology landscape is undergoing significant changes driven by rapid growth in mobility, cloud computing and big data analytics. Your Company will continue to invest in innovations and ensure that its technology systems evolve in line with new trends and deliver value to its customers. Customer Booking, Sales (On Tablet) & Tour Managers (On Tablet) applications were launched to engage customers using the mobility platform.

Your Company assesses its information security risk periodically based on which appropriate changes are considered to protect the Company's information assets. Your Company has instituted a process which ensures a periodic review of the policies and procedures related to information security. Changes to the information security policies and procedures of the Company are approved by the information security committee, which comprises of members drawn cross functionally from the senior management.

## SERVICE QUALITY & CUSTOMER CARE

Customer Service forms a critical focus area of your Company's business strategy. TCIL had hence initiated operations of the Service Quality & Customer Care department in 2007 with a commitment to create value for each customer by providing effective, timely and consistent resolution to all customer complaints.

Below are key initiatives undertaken by the Service Quality Team for the year ended March 31, 2017:

### Complaint Resolution Management

To ensure effective and timely redressal to complaints (received via email to Service Quality, TCIL's Sr. Management Team, individual business representatives, social media, online forums, letters, visits and phone calls), the Service Quality Team was expanded to a team of 11, including a Senior Manager, 3 Managers and a Sr. Vice President as reporting head.

Noteworthy initiatives undertaken were as under:

**Escalation Process:** A dedicated 3 member team was set up to enable effective management of customer escalations (a three tiered escalation hierarchy of Manager Service Quality, Head Service Quality, CMD via thomascok.in).

**Online Reputation Management:** To address the increasing usage of social media platforms, such concerns have been managed jointly by a 2 member in-house team and a dedicated team from your Company's PR Agency Partner.

### Project Facebook :

A strategic new initiative undertaken by Service Quality together with Tour Managers was to encourage "on tour" clients to share their testimonials (via text, images and videos) on your Company's Facebook page. Such direct customer feedback is highly credible, creating strong positivity for the brand and a catalyst to future transactions.

### Mystery Audit :

An external partner was selected for your Company's phased delivery of Mystery Audits to assess servicing standards and financial integrity of our front line teams- across the Leisure Outbound business (owned and franchise outlets) and Call Centres.

**Metrics:** Strong focus on metrics via an automated SQ daily dashboard to the Execom, a monthly review with business heads & SPOCs and quarterly review with the CEO to provide an overview, analysis and recommendations as preventive.

**Appreciation Management:** A continuum of the SQ reward and recognition of top performers in the area of customer service saw delivery via Appreciation Certificates, signed by your CMD and Chief Innovation Officer. A special outreach was made to both the Call Centre Teams at Serco and Sitel.

**Customer Relationship Management Tool:** Effective use of your Company's CRM tool was delivered via further enhancements, including disposition upgradation and in-depth tagging for enhanced analysis.

## HUMAN RESOURCES

### Human Resources Management

Human Resources in your Company strive to enable the organization to achieve its objectives by constantly aligning the 'people factor' with the 'business needs'. This creates a need for constantly evolving and stimulating the systems and processes in the context of organizational culture. As a part of the HR Action plan, your Company has initiated steps to work on each of key variables that affect human resources, both at a strategic level and at an operational level.

The world stands at important crossroads. These are challenging times, and to retain a competitive edge, a company must direct individual accomplishment toward organisational objectives. The only sustainable differentiator of organisational success lies in the Vision and Values of a company. Your Company believes that 'We must be the force that influences industry standards, since in our kind of business, people come to us with dreams, with plans, with trust, hoping we will make those dreams come true.'

Your Company has always prided itself on its core values that act as a foundation to the organisation and it is now re-aligning its values to reflect that of the Promoter Group. These Values are called the PRIDE Values.

- P Pioneering our Future
- R Respect for Individuals and United as a team
- I Integrity
- D Delighting the Customer
- E Excellence

The Human Resources Department strives to promote an open culture and provide a vibrant work environment to its employees. It prides itself in caring for employees through various staff welfare measures. The Department has provided exemplary support to the organisation and ensured smooth and seamless transition during ownership change.

The Human Resources Department has rolled out various training initiatives in its quest that each member of your Company will be a torch bearer for the Vision and Values of your organisation and uphold them with pride.... 'PRIDE' in Thomas Cook.

Your Company continues to focus on Training & Development initiatives at all the levels - Business and skill specific trainings were conducted with the objective of developing work skills and soft skills (behaviour patterns) of employees. Your Company continues to leverage technology based Learning platform, viz. Learning Management System (LMS).

Your Company continues to nurture talent through TCETP (Thomas Cook Executive Trainee Program) so as to create a Talent Pipeline at various levels in junior and middle management.

The Human Resources Department is focussed on Technology to improve processes for providing seamless HR services to employees. In the last few years, the Annual Performance Appraisal process has been delivered online. This enables employees to set their Key Result Areas in the online tool at the beginning of the year. This then becomes the standard for measuring performance at the end of the year. Your Company continues to successfully automate HR processes via an HR online platform viz. "Quik HR" through a third party vendor - M/s. iComm Technologies. This will ensure adequate engagement with our employees on a timely basis.

The HR team strives to provide an energetic work environment, continued to provide non work opportunities related to fun and learning - this included having online engagement, celebrating various festivals in office as also having evening sessions on matters of interest.

Given our current growth at Thomas Cook, we continue to focus on Leadership Development. Last year, we had implemented a 360 degree appraisal feedback as a developmental area for all our senior employees. The feedback has proved to be a strong input for development of our senior management team and for our Succession Planning exercise across all positions at the Executive Committee level. The Individual Development Plans were monitored by the Reporting Managers to direct growth and improvement for the Senior Leaders.

With the additions to the Thomas Cook Group, this year has been focussed on harmonisation of our policies and processes across our subsidiary organisations. We have benchmarked our policies with other organisations and have further augmented our existing policies.

As part of our harmonisation and integration efforts, all employees of Thomas Cook Group now follow Group HR Policies. In our endeavour to harmonise Grades across the Group, we availed the services of Ernst & Young which did a complete Job Evaluation of all roles within all our entities. Through the Role Value method, we have now completed the Banding & Grading exercise for the entire organisation. It will help your Company align jobs located in multiple regions or across different lines of business and drive consistency, competitiveness and efficiency among policies and practices.

We are focussing on enhancing employee productivity and satisfaction to reach the highest potential and to achieve the organisation's objectives, while being able to adapt to the fast pace and agility of the market.

Your Company realizes that the only sustainable competitive advantage in today's dynamic, challenging and rapidly changing context is human resources. Towards that, your Company is in the process of constantly energizing and revitalizing its people by equipping them with cutting edge skills, developing a holistic perspective and imparting in them, a drive for excellence, so as to enable them to be the best in class by creating an organization of our dreams.

#### *Employee Strength*

The employee strength for the period ended 31st March, 2017 was 2607 excluding those employed in your Company's 100% subsidiaries in India, Mauritius and Sri Lanka, SOTC and Sterling.

#### *Employee Relations*

Peaceful and cordial relations continue with the employees. In this year, your Company signed long term "settlements" with both, the All India Tourist & Travel Employees Association (union of clerical and subordinate employees of Thomas Cook (India) Limited) and Mumbai Mazdoor Sabha (to which a few clerical and subordinate employees of the subsidiary Company TCI, are affiliated). The Management wishes to place on record its acknowledgement and appreciation for the support extended by all the employees of the Company.

Your Company is undergoing a transformation in its business models while at the same time experiencing rapid growth in all aspects. This provides both, opportunities for your Company to gain the major market share and grow rapidly, as well as a challenge to maintain profitability and make itself more cost efficient. Your Company is certain that it continues to invest in its biggest Asset - 'Our People', and that it will build on this strength to cater to the dynamic needs of its customers. Your Company is committed to making this Company the No.1 Company in the Travel and Tourism Industry.

#### *Remuneration Policy & Performance Criteria*

The Nomination and Remuneration Committee determines and recommends to the Board, the compensation of the Directors and employees. The key components of the Company's Remuneration Policy, as approved by the Nomination and Remuneration Committee are:

- Compensation is an important element to retain talent.
- Compensation will be competitive and would factor in the market compensation levels.
- There will be a variable component in the total Compensation, and that will be linked to the individual, business and organization performance.
- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully Legal and Tax compliant, as per the relevant laws in place.
- ESOPs may be granted having regard to the role/ designation, length of service, past performance record, future potential and/or such other criteria.
- Commission/Performance Linked Variable Bonus shall be at the absolute discretion of the Nomination and Remuneration Committee and/or the Board of Directors of the Company.

The shareholders approve the compensation of the entire period of their term. The compensation payable to each of the Independent Non Executive Directors is limited to a fixed percentage of profits per year as recommended by the Nomination & Remuneration Committee, the aggregate of which is within the limit of 1% of the net profits of the Company for the year calculated as per the provisions of the Company's Act 2013, as approved by the Board and the shareholders and as separately disclosed in the financial statements, subject to governmental approvals, where required. The actual amount of commission payable to each Non Executive Director is decided by the Board, based on the overall contribution and role of such Directors.



The role and the involvement of the Non Executive Directors as members of the Board and its Committees, has undergone qualitative changes pursuant to more stringent accounting standards and corporate governance norms. The Company pays sitting fees at the rate of ₹ 100,000/- per meeting to the Non Executive Directors for attending the meetings of the Board and ₹ 50,000/- per meeting for attending the meetings of Audit Committee and ₹10,000/- per meeting for other Committee meetings.

**FORWARD LOOKING STATEMENTS**

Statements forming part of the Management Discussion and Analysis covered in this report may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that

could influence the Company's operations include demand and supply conditions, changes in government regulations, exchange rates, tax laws, monsoon, natural hazards, economic developments within the country and other factors.

**For and on behalf of the Board****Madhavan Menon***Chairman & Managing Director**(DIN: 00008542)*

Mumbai

Dated: 25th May, 2017



# Report of the Directors

## On Corporate Governance

### 1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to conduct its business in a manner which is ethical and transparent with all stakeholders of the Company. The Company believes in providing a structure that works for the benefit of everyone concerned, by ensuring that the Company adheres to ethical standards, laws and best practices. The Company's policy on Corporate Governance is to make it a way of life by, *inter alia*, adopting standard Corporate Governance practices through continual improvement of internal systems and satisfaction of customers and shareholders. The Company in its approach to adopt the best possible practices of Corporate Governance and keeping adherence to the latest rules and regulations prescribed by various regulatory authorities, has taken all the necessary steps to stay in line with the continuously progressing governance demands.

With regards to the Corporate Governance, the Company is in compliance with the requirements under regulation 17 to 27 read with Schedule V and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Over the years, the Board of Directors ("Board") has developed corporate governance guidelines to help fulfill our corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations when required. Further, these guidelines allow the Board to make decisions that are independent of the Management. The Board may change these guidelines regularly to achieve our stated objectives.

Corporate Governance aims at fairness, transparency, accountability and responsibility in the functioning of the Company with the ultimate objective of realising and enhancing shareholders' values. The Company's philosophy on the code of Corporate Governance is tuned to these aspects and to the philosophy of Fairfax Group, which is:

- (i) to ensure that adequate control systems exist to enable the Board in effectively discharging its responsibilities to all the stakeholders of the Company;
- (ii) to ensure that the decision making process is fair and transparent;
- (iii) to ensure the fullest commitment of the Management and the Board for the maximisation of shareholder's value;
- (iv) to ensure that the employees of the Company subscribe to the corporate values and apply them in their conduct; and
- (v) to ensure that the Company follows globally recognised corporate governance practices.

### 2. BOARD OF DIRECTORS:

#### Composition of the Board

The Board consists of seven (7) members with one (1) Executive Director and six (6) Non Executive Directors, of which four (4) are Independent Directors including a Woman Director, comprising of experts from various fields/professions. As required by Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the terms and conditions of appointment of Independent Directors are available on the Company's website. The composition of the Board of Directors of the Company is in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 read with applicable rules made thereunder.

#### Board Meetings

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Registered Office or Corporate Office in Mumbai and all the necessary information and documents as required under Regulation 17(7) read with Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the meeting are made available to Board of Directors. Senior Executives / Management of the Company is invited to attend the Meetings of the Board and Committees, to make presentations and provide clarifications as and when required. The Board meets at least once a quarter to review the quarterly performance and approve the financial results.

With a view to leverage technology and reducing paper consumption, the Company adopted facility of disseminating Notices, Agendas and Minutes to the Directors through electronic means. Each Director has been provided with iPads for the said purpose. This electronic mode of delivery of Agenda papers, minutes and other documents not only ensures high standards of security and confidentiality, required for storage and circulation of Board papers but also increases the active involvement of the Board Members.

The Board met five (5) times during the financial year ended 31st March, 2017. The said meetings were held on 27th May, 2016 adjourned to 28th May, 2016, 4th August, 2016, 26th October, 2016, 13th December, 2016 and 14th February, 2017 respectively.

#### Disclosures, Membership, Attendance & Other Directorships:

The necessary disclosures regarding Directorships, Memberships and Chairmanships in various other Boards and Committees and shareholding in the Company have been made by all the Directors. None of the Directors on the Board is a Member of more than ten (10) Committees and acts as a Chairman of more than five (5) Committees across all Companies in which they are Directors.

Further none of the Directors served as an Independent Director in more than seven (7) listed Companies and hold Directorship in more than ten (10) public companies. Further the Managing Director of the Company is not serving as Independent Director on the Board of any other listed entity.

Details of Membership and Attendance of each Director at the Board of Directors Meetings held during the financial year under review and the last Annual General Meeting and the number of other Directorships and Chairmanship/ Membership of Board Committees as on 31st March, 2017 are as follows:

Sr. No.	Name of the Director	Director Identification No.	Category*	Designation	Board Meetings attended	Attendance at the last AGM	No. of Directorship in other Boards [excluding Thomas Cook (India) Limited] #		No. of Chairmanship / Membership in other Board Committees [including Thomas Cook (India) Limited] ##	
							Public	Private	Chairmanship	Membership includes Chairmanship
1.	Mr. Madhavan Menon	00008542	ED	Chairman & Managing Director	5	Yes	5	1	1	6
2.	Mr. Harsha Raghavan	01761512	NED	Director	5	Yes	8	3	-	8
3.	Mr. Chandran Ratnaswami	00109215	NED	Director	5	No	6	1	-	1
4.	Mr. Sunil Mathur **	00013239	I & NED	Director	4	Yes	9	2 <sup>@</sup>	5	8
5.	Mr. Nilesh Vikamsey* *	00031213	I & NED	Director	4	Yes	9	3	2	9
6.	Mrs. Kishori Udeshi	01344073	I & NED	Director	5	Yes	6	1	-	6
7.	Mr. Pravir Kumar Vohra	00082545	I & NED	Director	4	No	1	1	1	3

\* ED – Executive Director

NED – Non Executive Director

I & NED– Independent and Non Executive Director

\*\* Mr. Sunil Mathur and Mr. Nilesh Vikamsey were appointed by the members as Non Executive Independent Directors in the Annual General Meeting held on, 2nd September 2016.

@ Mr. Sunil Mathur resigned as a Director from Munich Re India Services Private Limited w.e.f 31st March, 2017 and hence the same has not been included in the number of private companies in which he is a Director as on 31st March, 2017.

# This includes all Indian Companies, excluding Section 8 Companies and Foreign Companies.

## This includes Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.

The Board, on request of the Director(s) has granted Leave of Absence to the Director(s) being unable to attend the respective Board Meeting(s) and Committee Meeting(s). The Company also provides audio, video conferencing facility to its Directors to enable their participation so that they can contribute in the discussions at the Meetings.

As on 31st March, 2017, Mr. Madhavan Menon holds 208607 equity shares, Universal Trustees Private Limited holds 590000 equity shares of the Company in trust for the ultimate benefit of Mr. Harsha Raghavan and Mr. Pravir Kumar Vohra holds 495 equity shares in the Company.

Except as mentioned above, none of the other Directors hold any shares in the Company.

#### DETAILS OF DIRECTORS TO BE RE-APPOINTED:

##### Re-appointment of Director retiring by rotation:

As per the Companies Act, 2013 and the Articles of Association of the Company, two third of the Directors are liable to retire by rotation except Independent Directors and Managing Director who are not liable to retire by rotation. One third of these Directors, shall retire every year by rotation and if eligible, these Directors qualify for re-appointment.

In accordance with Article 116 of the Articles of Association of the Company and the applicable provisions of the Companies Act, 2013, Mr. Harsha Raghavan, Director retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

##### Details of Directors to be re-appointed at the ensuing Annual General Meeting:

##### a) Mr. Harsha Raghavan

DIN	01761512
Age	45 years
Qualification	MBA and MS in Industrial Engineering degrees, both from Stanford University, and a BA from UC Berkeley where he double majored in Computer Science & Economics
Experience	23 years
Terms and Conditions of re-appointment	Mr. Harsha Raghavan shall be re-appointed as a Non Executive Director liable to retire by rotation.
Current Remuneration	Mr. Harsha Raghavan, being Non Executive Director, is eligible to be paid Commission, sitting fees depending upon the number of Board and Committees meetings attended but he voluntarily waived his entitlement to his share of commission and sitting fees.
Remuneration Payable	Remuneration payable shall include Commission as devised by the Company, sitting fees depending upon the number of Board and Committee meetings attended and Reimbursement of expenses incurred for attending the meetings.
Date of first appointment in the Company	22nd August, 2012
Details of shareholding	Universal Trustees Private Limited holds 590000 equity shares of the Company in trust for the ultimate benefit of Mr. Harsha Raghavan
Relation with other Directors, Manager and KMP's	No relation with any Director, Manager or KMP
No. of meetings attended during the financial year	5 out of 5 in FY 2016-17

**Brief Profile:**

Mr. Harsha Raghavan in his capacity as Managing Director of Fairbridge Capital Private Limited, leads investment and acquisition activities for Fairfax in the region. He has been involved with the Indian private equity industry since 1996 and previously held leadership roles at Candover Investments, Goldman Sachs PIA and Indocan Chase Capital. He currently serves on the Boards of many companies including Fairfax India Holdings Limited, Thomas Cook (India) Limited, Nation Trust Bank PLC, National Collateral Management Services Limited, Fairchem Specialty Limited, Privi Organics India Limited, Sanmar Engineering Services Limited and Bangalore International Airport Limited.

Mr. Harsha Raghavan holds MBA and MS in Industrial Engineering degrees, both from Stanford University, and a BA from UC Berkeley where he double majored in Computer Science & Economics.

Mr. Harsha Raghavan joined the Board of Thomas Cook (India) Limited with effect from 22nd August, 2012 as a Non Executive Director.

**Mr. Harsha Raghavan's detailed Directorships and Committee Memberships of companies [including Thomas Cook (India) Limited] as on 31st March, 2017 are as follows:**

Name of Body Corporate/ Firm	Position (Whether as Director/ Managing Director/ Chairman)	Name of Committee	Position (Whether as Member/ Chairman)
Sterling Holiday Resorts Limited [Formerly known as Thomas Cook Insurance Services (India) Limited]	Director	Audit Committee	Member
		Nomination & Remuneration Committee	Member
Thomas Cook (India) Limited	Director	Audit Committee	Member
		Stakeholders Relationship Committee	Member
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
National Collateral Management Services Limited	Nominee Director	Audit Committee	Member
		Project Review Committee	Member
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
Fairchem Speciality Limited	Director	Nomination & Remuneration Committee	Member
		Management Committee	Member
Travel Corporation (India) Limited	Director	Audit Committee	Member
Sanmar Engineering Services Limited	Director	-	-
Privi Organics Limited	Nominee Director	Audit Committee	Member
		Share Allotment & Transfer / Stakeholders Relationship Committee	Member
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
Bangalore International Airport Limited	Additional Director	-	-
Fairbridge Capital Private Limited	Managing Director	-	-
NCML Finance Private Limited	Nominee Director	-	-
SOTC Travel Services Private Limited [Formerly known as Kuoni Travel (India) Private Limited]	Director	Audit Committee	Member
Saurashtra Freight Private Limited	Director	-	-
Nations Trust Bank PLC	Director	-	-
Fairfax India Holdings Corporation	Director	-	-
Thomas Cook (Mauritius) Operations Company Limited	Director	-	-
Thomas Cook Lanka (Private) Limited	Director	-	-
Thomas Cook (Mauritius) Holidays Limited	Director	-	-
Luxe Asia (Private) Limited	Director	-	-
Travel Circle International Services Limited [Formerly known as Kuoni Travel (China) Limited]	Director	-	-
Horizon Travel Holdings (Singapore) Private Limited	Director	-	-

**INDEPENDENT DIRECTORS:**

Independent Directors are Non Executive Directors as defined under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the applicable provisions, the meeting of Independent Directors of the Company was held on 30th March, 2017, for considering the following matters, *inter-alia*, as prescribed in the Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- a. Review the performance of Non Independent Directors and the Board as a whole;
- b. Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non Executive Directors;
- c. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The said meeting was conducted without the attendance of Non Independent Directors and members of management. Further, all the Independent Directors of the Company were present at the meeting.

**3. BOARD COMMITTEES:**

To enable better and more focussed attention on the affairs of the Company, the Board delegates particular matters to Committees of the Board set up for the purpose. These Committees prepare the groundwork for decision making and report at the subsequent Board Meetings.

**(i) Audit Committee:**

The Audit Committee's role shall flow directly from the Board of Director's overview function on Corporate Governance, which holds the management accountable to the Board and the Board accountable to the Stakeholders. Acting as a catalyst, in helping the organization achieve its objectives, the Audit Committee's primary role, *inter-alia*, is to review the Company's internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems and risk management process, monitoring process for compliance with laws and regulations and the code of conduct.

The Audit Committee was formulated in August 1995 and over the years the Committee has been reconstituted and its charter has been amended to align it with the requirements of the provisions of applicable laws, rules and regulations.

The present composition of the Audit Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It consists of five (5) Non Executive Directors of whom four (4) are Independent as on 31st March, 2017. The Chairman of the Audit Committee is an Independent Director.

The Audit Committee also invites at its meetings, senior executives/ management including the person in charge of the Business Process Improvement & Audit function of the Company. The representatives of the auditors are also invited to the meetings. The Company Secretary & Compliance Officer acts as the Secretary to the Committee. The Chief Financial Officer & President – Commercial and the Chairman & Managing Director are special invitees to the Committee meetings. Mr. Chandran Ratnaswami, Director, is a permanent invitee to the Committee meetings.

**Terms of reference and role of the Audit Committee**

The terms of reference and role of the Audit Committee are in accordance with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, and includes, *inter-alia*, the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the quarterly and the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgement by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Disclosure of any related party transactions
  - f. Qualifications in the draft audit report/ Limited Review Report
  - g. Disclosure under Management Discussion and Analysis of Financial Condition and Results of Operations.
  - h. Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and legal requirements concerning financial statements.
    - i. Disclosure of contingent liabilities
5. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
6. Approval or any subsequent modification of transactions of the company with related parties;
7. Scrutiny of inter-corporate loans and investments;

8. Valuation of undertakings or assets of the company, wherever it is necessary.
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
11. Reviewing the adequacy of internal audit function, if any, including the internal audit charter, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
13. To review the functioning of the Whistle Blower mechanism;
14. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Members of the Audit Committee are financially literate, possesses accounting and related financial management expertise and the Chairman of the Committee attends the Annual General Meeting of the Company to answer shareholder's queries, if any.

#### Composition and attendance during the financial year:

The Committee met four (4) times during the financial year under review. The said meetings were held on 27th May, 2016, 4th August, 2016, 26th October, 2016 and 14th February, 2017, respectively.

Sr. No.	Name of Member	Designation	Category *	No. of meetings attended
1.	Mr. Nilesch Vikamsey	Chairman	I & NED	3
2.	Mr. Sunil Mathur\$	Member	I & NED	2
3.	Mr. Harsha Raghavan	Member	NED	4
4.	Mr. Pravir Kumar Vohra	Member	I & NED	3
5.	Mrs. Kishori Udeshi	Member	I & NED	4

\* NED – Non Executive Director

I & NED -Independent and Non Executive Director

\$ Mr. Sunil Mathur was appointed as a Member w.e.f. 27th May, 2016.

#### (ii) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was formed in August 1995 as Recruitment & Remuneration Committee and has been reconstituted over the years to align it in requirements with the provisions of applicable laws, rules and regulations.

The present composition of the Nomination and Remuneration Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It consists of three (3) Non Executive Directors of whom two (2) are Independent Directors as on 31st March, 2017. The Chairperson of the Nomination and Remuneration Committee is an Independent Director. Mr. Chandran Ratnaswami, Director and Ms. Mona Cheriyan, President & Group Head - Human Resources are permanent invitees while Mr. Madhavan Menon, Chairman & Managing Director, is invitee to the Committee meetings. Mrs. Mona Cheriyan acted as the Rapporteur for the Committee meetings.

#### Terms of Reference:

The Constitution and charter of the Committee is in compliance of Section 178 of the Companies Act, 2013, the Companies (Meetings of the Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Committee has the mandate to deal with such matters as required to be dealt by it under applicable law, rules and regulations, *inter alia*, recruitment, selection, remuneration of Directors (Executive & Non Executive) and key managerial personnel and remuneration of senior employees of the Company, particularly the matters pertaining to employment, remuneration, retirement benefits, performance appraisals, key succession planning and to make recommendations to the Board. The Committee is also authorised for allotment of equity shares under ESOP Schemes of the Company.

#### Remuneration Policy & Performance Criteria:

The Board adopted Nomination cum Remuneration Policy in September, 2014 in accordance with Section 178 of the Companies Act, 2013 and the rules made there under. The policy has been amended from time to time to align it in requirements with the provisions of applicable laws, rules and regulations. The Nomination cum Remuneration Policy is already annexed as Annexure 3 to the Directors Report and forms part of the Annual Report.

The re-appointment or extension of term and the remuneration of Executive Directors and Non Executive Directors is subject to the performance evaluation process undertaken by the Board (excluding the director being evaluated), Nomination and Remuneration Committee and Independent Directors evaluating Non Independent Directors.

#### Performance Evaluation of Directors:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the Board of listed companies to monitor and review the Board Evaluation framework. The Companies Act, 2013 read with the Rules made thereunder provides that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. It is further stated in Section 178 of the Companies Act, 2013 that the performance of every Director shall be evaluated by the Nomination and Remuneration Committee on an Annual Basis. The Schedule IV of the Companies Act, 2013 read with the Rules made thereunder states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.



After taking into consideration the Guidance Note on Performance Evaluation of Board dated 5th January, 2017 published by SEBI, structured assessment sheets were finalized to evaluate the performance of the Board, Committees of the Board and individual performance of each Director including the Chairman. The evaluation process was facilitated by the Chairperson of the Nomination and Remuneration Committee.

These assessment sheets for evaluation of performance of the Directors were prepared based on various aspects which, amongst other parameters, included the level of participation of the Directors, understanding of the roles and responsibilities of Directors, understanding of the business and competitive environment in which the Company operates, understanding of the strategic issues and challenges for the Company, etc.

The parameters for performance evaluation of Board includes composition of the Board, process of appointment to the Board of Directors, common understanding that the different Board members have of their respective roles and responsibilities of the Board, timeliness for circulating the board papers, content and the quality of information provided to the Board, attention to the company's long term strategic issues, evaluating strategic risks, overseeing and guiding major plans of action, acquisitions, divestment, etc.

Some of the performance indicators for the Committees include understanding of the terms of reference, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties and performance of the Committee vis-à-vis its responsibilities.

The Committee ensures that the Key Performance Objectives are aligned with the immediate and long term goals of the Company.

The performance of the Independent Directors was also evaluated taking into account the time devoted and attention given to professional obligations for independent decision making and acting in the best interest of the Company, strategic guidance to the Company and help in determining/ formulating important policies, external expertise provided and independent judgement that contributes objectively in the Board's deliberation, particularly on issues of strategy, performance and conflict management.

The outcome of the evaluation process was discussed and deliberated at the respective meetings of the Board of Directors and Nomination and Remuneration Committee of the Board. The Board of Directors also expressed their satisfaction towards the process followed by the Company for evaluating the performance of the Directors, Board and its Committees.

#### **Remuneration of Directors:**

##### **A. Executive Directors:**

1. The Committee to recommend the remuneration of the Managing Director to Board for its approval.
2. Such remuneration shall be subject to approval of the shareholders of the Company, in the next general meeting.
3. If proposed remuneration is at variance to the conditions specified in Schedule V of the Act, then such remuneration will also be subject to the approval of the Central Government, if any, as the case may be.
4. The terms of the remuneration of the Managing Director shall be as under:
  - (a) The remuneration of the Managing Director will consist of the following:
    - (i) Base / Basic Salary subject to such annual increments as the Nomination and Remuneration Committee and/or the Board may determine and approve, from time to time
    - (ii) Other Allowance
    - (iii) Performance Bonus
    - (iv) Perquisites like Housing, Car/ Conveyance Allowance, Telephone, Club Fees, etc. and other retirement benefits as may be recommended by the Nomination and Remuneration Committee and approved by the Board and the shareholders of the Company, as the case may be.
  - (b) The Managing Director may be granted stock options

##### **B. Non Executive Directors / Independent Directors:**

1. The Committee to recommend the remuneration of Non Executive Directors including Independent directors to the Board for its approval, and will be subject to approval of the shareholders of the Company.
2. The terms of the remuneration of the Non Executive Directors shall be as under:
  - a. Sitting fees of such amounts as may be determined from time to time and upto such amount, as may be decided by the Board and the shareholders, if required.
  - b. An incentive payment based on achievement of profitability levels for the year ended, upto such amount, based on the performance evaluation report, as may be decided by the Board and the shareholders, from time to time if any.
  - c. Increment for each year will be determined by the Nomination and Remuneration Committee based on the performance evaluation report and which will be subject to approval of the Board and the shareholders, as the case may be.
3. The Non Executive Directors may be offered stock options as may be permitted by the applicable law.
4. The Independent Directors will not be entitled to any stock options.
5. Reimbursement of actual expenses incurred, if any, in connection with attending the Board / Committee meetings of the Company.

##### **C. Key Managerial Personnel:**

1. The Committee to recommend the remuneration of the Managing Director, Chief Financial Officer & President – Commercial, Chief Executive Officer and Company Secretary & Compliance Officer to the Board for its approval.
2. Increment for each year will be determined by the Committee based on the performance evaluation report.

3. Such increment will be subject to approval of the Board & Shareholders, if any.
4. The Managing Director, Chief Financial Officer & President – Commercial, Chief Executive Officer and Company Secretary & Compliance Officer may be offered stock options.

**D. Senior Management Employees:**

1. The Committee will determine the remuneration of the senior management employees of the Company, other than the whole time key managerial personnel, in accordance with the Nomination cum Remuneration Policy (NR Policy).
2. Increment for each year will be determined by the Committee based on the performance evaluation conducted in accordance with the NR Policy.
3. The senior management employees may be offered stock options.

**Sitting fees:**

The role and the involvement of the Non Executive Directors as Members of the Board and its Committees, has undergone qualitative changes pursuant to stringent Accounting Standards and Corporate Governance norms. Further, in view of the increased scale of operation and expertise required for the Company's business, the Company had pursuant to the approval of shareholders in the Annual General Meeting dated 27th August, 2015 revised the sitting fees of ₹ 20,000/- per meeting for attending the meetings of Board and Audit Committee to the Non Executive Directors to ₹ 100,000/- and ₹ 50,000/- respectively. The Company also pays ₹ 100,000/- per meeting to the Independent Directors for attending the separate meeting of Independent Directors and ₹10,000/- per meeting for Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee .

**Composition and attendance during the financial year:**

The Committee met two (2) times during the financial year under review. The meetings were held on 26th October, 2016 and 14th February, 2017 respectively.

Sr. No.	Name of the Member	Designation	Category *	No. of meetings attended
1.	Mrs. Kishori Udeshi	Chairperson	I & NED	2
2.	Mr. Harsha Raghavan	Member	NED	2
3.	Mr. Sunil Mathur	Member	I & NED	1

\* NED – Non Executive Director I & NED – Independent and Non Executive Director

**Details of Remuneration to the Directors for the financial year:**

**Executive Directors**

Name of Director	Basic Salary (₹)	Benefits/ Allowances / Perquisites (₹)	Bonus/ Commission (₹)	Sitting Fees (₹)	Pension/PF/ Superannuation (₹)	Total (₹)	Stock Options granted & accepted during the financial year	Number of Stock Options exercised during the financial year
Mr. Madhavan Menon	9,649,527	13,440,389	27,200,320	0	1,307,941	51,598,177	Nil	455500
<b>Sub-Total (a)</b>	<b>9,649,527</b>	<b>13,440,389</b>	<b>27,200,320</b>	<b>0</b>	<b>1,307,941</b>	<b>51,598,177</b>	<b>Nil</b>	<b>455500</b>

**Non Executive Directors**

Name of Director	Basic Salary (₹)	Benefits/ Allowances / Perquisites (₹)	Bonus/ Commission (₹) <sup>#</sup>	Sitting Fees (₹)	Pension/PF/ Superannuation (₹)	Total (₹)	Stock Options granted & accepted during the financial year	Number of Stock Options exercised during the financial year
Mr. Nilesh Vikamsey	-	-	1,500,000	650,000	-	2,150,000	Nil	Nil
Mrs. Kishori Udeshi	-	-	1,500,000	830,000	-	2,330,000	Nil	Nil
Mr. Pravir Kumar Vohra	-	-	1,500,000	660,000	-	2,160,000	Nil	Nil
Mr. Sunil Mathur	-	-	1,500,000	610,000	-	2,110,000	Nil	Nil
^Mr. Harsha Raghavan	-	-	-	-	-	-	Nil	Nil
^Mr. Chandran Ratnaswami	-	-	-	-	-	-	Nil	Nil
<b>Sub – Total (b)</b>	<b>-</b>	<b>-</b>	<b>6,000,000</b>	<b>2,750,000</b>	<b>-</b>	<b>8,750,000</b>	<b>Nil</b>	<b>Nil</b>
<b>Total (₹) (a+b)</b>	<b>9,649,527</b>	<b>13,440,389</b>	<b>33,200,320</b>	<b>2,750,000</b>	<b>1,307,941</b>	<b>60,348,177</b>	<b>Nil</b>	<b>455500</b>

<sup>#</sup> The Commission is proposed to be paid for the financial year 2016-17 to the Non Executive Independent Directors subject to prior approvals of the Members and the Central Government. This matter forms part of the Notice of the Annual General Meeting, members are requested to refer the same for detailed explanation.

- ^ Mr. Harsha Raghavan and Mr. Chandran Ratnaswami voluntarily waived their entitlement to their share of commission and sitting fees.
- None of the Directors are related to each other in any manner.
  - As on 31st March, 2017, Mr. Madhavan Menon holds 208607 equity shares, Universal Trustees Private Limited holds 590000 equity shares of the Company in trust for the ultimate benefit of Mr. Harsha Raghavan and Mr. Pravir Kumar Vohra holds 495 equity shares in the Company.
- Except as mentioned above none of the other Directors hold any shares in the Company.
- Apart from the above, there are no other pecuniary relationships or transactions by the Non Executive Directors with the Company.

**Details of fixed component and performance linked incentives paid for the financial year :**

Name of Director	Salary	
	Fixed (₹)	Performance Linked Incentives (₹)
Mr. Madhavan Menon	19826887	27200320
<b>Total</b>	<b>19826887</b>	<b>27200320</b>

**Details of Service Contracts, Notice Period, etc. of all the Directors for the financial year**

Sr. No.	Name of Director	Contract Period (Tenure)	Service Contract	Notice Period	Severance fees, if any
1.	Mr. Madhavan Menon	1st March, 2015 to 29th February, 2020	Yes	12 Months	As decided by the management
2.	Non Executive Directors other than Independent Directors	None. The Non Executive Directors other than Independent Directors, liable to retire by rotation, get re-appointed as per the provisions of Articles of Association of the Company and the applicable provisions of the Companies Act, 2013	No	None	None

**Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:**

Name of the Director	Thomas Cook Employee Stock Option Plan 2007 (ESOP Scheme 2007)										SAYE Scheme 2010		Thomas Cook Employees Stock Option Plan 2013 (ESOP 2013)
	Grant in 2007		Grant in 2008		Grant in 2009		Grant in 2010		Grant in 2011		Options accepted	Discount %	
	Options accepted	Discount %	Options accepted	Discount %	Options accepted	Discount %	Options accepted	Discount %	Options accepted	Discount %			
Mr. Madhavan Menon	205000	5%	250500	5%	-	-	-	-	-	-	16500	10%	1303670

**Note:** None of the Non Executive Directors were issued/ granted employee stock options under the Thomas Cook Employee Stock Option Plan 2007 (ESOP Scheme 2007) or the Thomas Cook Save As You Earn Scheme 2010 (SAYE Scheme 2010) or the Thomas Cook Employees Stock Option Plan 2013 (ESOP 2013) during the financial year.

**Period of accrual:** In case of ESOP Scheme 2007, 1/3rd of the options granted, vest every year, over three (3) years; in case of SAYE Scheme, the vesting would occur at the end of thirty-six (36) monthly contributions. In case of ESOP 2013, options would vest not earlier than 4 years and not later than 7 years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Nomination and Remuneration Committee.

**Exercise Period:** In case of ESOP Scheme 2007, all the vested options are exercisable over a period of ten (10) years from the respective grant dates; in case of SAYE Scheme 2010, the exercise period is one (1) month from vesting; in case of ESOP 2013, the Exercise period would commence from the date of vesting and will expire on completion of twenty years from the date of vesting of options.

**(iii) Stakeholders Relationship Committee:**

**Terms of Reference**

The Stakeholders Relationship Committee was formed in 1996 as Share Transfer Committee to approve transfer of shares, splitting and consolidation of shares and issue of duplicate share certificates and related matters.

The Committee was renamed as the Share Transfer & Shareholders' / Investors' Grievance Committee in February, 2001. The Committee was further restructured and titled as Stakeholders Relationship Committee in 2014 as per the requirements of the Companies Act, 2013 and erstwhile Listing Agreements to deal with such matters as required to be dealt with by it under applicable law, rules, regulations, listing agreements, *inter alia*, to consider and resolve the grievances of security holders of the Company. It consists of three (3) members of whom two (2) are Non Executive Directors including one (1) Independent Director and one (1) Executive Director as on 31st March, 2017. The Chairperson of Stakeholders Relationship Committee is an Independent Director.

As per Securities & Exchange Board of India (SEBI) circular dated 5th July, 2012 and further as prescribed pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the share transfers are approved fortnightly by the Company Secretary & Compliance Officer and are noted in the subsequent meeting(s) of the Stakeholders Relationship Committee.

**Composition and attendance during the financial year:**

The Committee met once during the financial year under review i.e. on 30th March, 2017, to approve / to take note of matters related to securities, etc.

Sr. No.	Name of the Member	Designation	Category *	No. of meetings attended
1.	Mr. Pravir Kumar Vohra	Chairman	I & NED	1
2.	Mr. Madhavan Menon	Member	ED	0
3.	Mr. Harsha Raghavan	Member	NED	1

\* NED – Non Executive Director

I & NED – Independent and Non Executive Director

ED – Executive Director

**Name and Designation of Compliance Officer:** Mr. Amit J. Parekh, is the Company Secretary & Compliance Officer of the Company.

**Number of Shareholders Complaints/ Correspondence received so far/ Number not solved to the satisfaction of shareholders/ Number of pending share transfers as at 31st March, 2017:**

**a. Correspondence Construed as Complaints**

Sr. No.	Nature of Complaint/Query	Total Received	Total Replied	Pending Queries (Days)			
				1-7	8-15	16-22	> 22
1.	Inquiry pertaining to non-receipt of shares sent for transfer	8	7	1	0	0	0
2.	Letters received from SEBI and other Statutory Bodies	3	2	1	0	0	0
3.	Reply sent giving warrant details (Reconciliation in process)	0	0	0	0	0	0

**b. Other Correspondence**

Sr. No.	Nature of Complaint/ Query	Total Recd.	Total Replied	Pending Queries (Days)			
				1-7	8-15	16-22	> 22
(1)	Non Receipt / Requests of Interest/ Dividend warrants						
	(A) Warrant already paid	2	2	0	0	0	0
	(B) Requests pertaining to outdated, duplicate warrants and changes on live warrants	243	241	2	0	0	0
	(C) Misc. queries in connection with payments	1361	1360	1	0	0	0
(2)	Transfer/Dematerialisation of securities	5	5	0	0	0	0
(3)	Name correction	16	16	0	0	0	0
(4)	Change of address requests	78	78	0	0	0	0
(5)	ECS/ Mandate requests	21	21	0	0	0	0
(6)	Loss of securities	51	49	2	0	0	0
(7)	Split/ Consolidation/Renewal/Duplicate issue of securities	10	10	0	0	0	0
(8)	Nomination requests	9	9	0	0	0	0
(9)	Tax / exemption form / pan related	0	0	0	0	0	0
(10)	Transmission of Securities	31	30	1	0	0	0
(11)	Exchange/ Sub-division of old shares	23	22	1	0	0	0
(12)	Dividend/ interest queries	0	0	0	0	0	0
(13)	Document registration	9	9	0	0	0	0
(14)	Bonus issue	0	0	0	0	0	0
(15)	Redemption	0	0	0	0	0	0
(16)	Others (Miscellaneous)	145	144	1	0	0	0
	<b>Total (I + II)</b>	<b>2015</b>	<b>2005</b>	<b>10*</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* pending as on 31st March, 2017. These were subsequently resolved/ replied to/ attended to.

**(iv) Corporate Social Responsibility Committee:**

As per the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, including amendments thereof, the Corporate Social Responsibility (CSR) Committee of the Board of Directors was composed and constituted in March 2014 to deal with matters required to be dealt with by it under applicable law, rules, regulations, *inter-alia*, to formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act, to monitor the CSR Policy of the Company from time to time, to prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/ activities proposed to be undertaken by the Company under the CSR policy of the Company. Ms. Mona Cheriyan, President & Group Head - Human Resources acts as the Rapporteur to the Committee. The CSR policy is also been uploaded on the website of the Company.

As per the applicable provisions of the Companies Act, 2013, the Company during the Financial Year 2016-17 has spent ₹ 9,940,266/- on various CSR initiatives including projects such as contribution to Fairfax India Charitable Foundation Trust for Aiding the Dialysis Ecosystem in India, Construction of Sanitation Site at Ooty, Supporting NGO 'Masoom' for providing education to girl students, Supporting Project 'Nanhi Kali' for encouraging disadvantaged girls in the country to attend school etc.

It consists of three (3) members of whom two (2) are Non Executive Directors including one Independent Director and one (1) Executive Director as on 31st March, 2017. The Chairperson of Corporate Social Responsibility Committee is an Independent Director.

**Composition and attendance during the financial year:**

The Committee met once during the financial year under review on 30th March, 2017:

Sr. No.	Name of the Member	Designation	Category *	No. of meetings attended
1.	Mrs. Kishori Udeshi	Chairperson	I & NED	1
2.	Mr. Harsha Raghavan	Member	NED	1
3.	Mr. Madhavan Menon	Member	ED	0

\* NED – Non Executive Director

I & NED – Independent and Non Executive Director

ED – Executive Director

(v) **Sub-Committee of the Board:**

**Terms of reference**

The Board of Directors formed a Sub-Committee at its meeting held on 25th April, 2001 to handle day-to-day matters other than those specifically required to be decided by the Board of Directors. The Sub-Committee was re-constituted in August, 2012. The scope of activities of the Sub-Committee was modified by the Board of Directors vide Circular Resolution dated 10th July, 2008. The Committee, comprises of two (2) Directors of which one (1) is Executive Director and one (1) is Non Executive Director as on 31st March, 2017.

**Composition and Attendance**

The Sub-Committee met Eleven (11) times during the financial year 2016-17 to review the operations of the Company. The meetings of the Sub-Committee were held on 21st April, 2016, 16th May, 2016, 27th May, 2016, 18th July, 2016, 17th August, 2016, 26th September, 2016, 14th November, 2016, 12th December, 2016, 19th January, 2017, 28th February, 2017 and 29th March, 2017 respectively.

Sr. No.	Name of the Member	Designation	Category *	No. of meetings attended
1.	Mr. Madhavan Menon	Chairman	ED	11
2.	Mr. Harsha Raghavan	Member	NED	11

\* ED – Executive Director

NED – Non Executive Director

**4. MANAGEMENT COMMITTEES:**

(i) **Executive Committee (EXECOM):**

There had been a "Senior Management Group (SMG)" in formal existence since the inception of the Company that was renamed as "EXECOM" since the year 2001. It is a formal Committee of all the Heads of various business activities and support functions. It meets once a week to discuss all the policy issues relating to the day-to-day affairs of the businesses and functions.

(ii) **Risk Committee:**

The Chairman & Managing Director chairs the meetings of the Risk Committee and the Head - Business Process Improvement and Audit acts as Rapporteur for this Committee. The EXECOM members are the other members of the Committee. It meets monthly to address the internal financial control and risk issues relating to various businesses and support areas and monitor the critical factors in order to effectively address them. Areas covered by this Committee are Control Policies, Business Continuity Plans, Foreign exchange coverage operations, Debtors control, Advances control, Blank Travellers' Cheques stocks exposure, Compliance Audit (FEMA & Others), Information Systems Security, Physical Security, Remittance operations etc. It reports to the Audit Committee of the Company.

(iii) **Banking Committee:**

A Banking Committee was formed on 29th October, 2012 and over the years the Committee has been re-constituted, the committee currently consists of Chairman & Managing Director, President & Group Head - Legal, Secretarial & Administration, Chief Financial Officer & President – Commercial and Chief Executive Officer as members to cater to the daily banking requirements of the Company viz. Opening/closing of bank accounts, addition and deletion of signatories in the bank accounts, etc. The Committee meets as and when required.

(iv) **Debenture Committee:**

The Debenture Committee was constituted on 30th November, 2012 for allotment of the Non Convertible Debentures, which were allotted on 15th April, 2013 and 31st August, 2015.

(v) **Related Party Transaction Committee:**

The Related Party Transaction Committee consisting of Chief Executive Officer, President & Group Head - Legal, Secretarial & Administration, Chief Financial Officer & President – Commercial was formed on 14th February, 2017 to approve each Related Party Transactions upto the limit sanctioned by the Audit Committee and monitor the cumulative approvals so that they are within the sanctioned omnibus limit and also prepare/submit the quarterly report of Related Party Transactions entered under omnibus approval to the Audit Committee for its review.



## 5. OTHER QUALITATIVE INFORMATION:

### (i) Internal Policies adopted:

The Company has devised various internal policies and codes for administering and controlling the information being dispersed through the organisational hierarchy. These include the Information Systems Security Policy, Code of Conduct for Prevention of Insider Trading, Corporate Governance Guidelines, Anti Money Laundering Policy and Prevention of Sexual Harassment Policy. Moreover, the Company has formulated a Policy on Ethics and Integrity, which is binding on all the employees of the Company. Some of the policies adopted by the Company are as follows:

- (a) The Policy on Prevention of Insider Trading is based on the model Policy devised by SEBI (Securities and Exchange Board of India) under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, for all the Designated Persons of the Company. The Board has in May, 2015 also adopted Code of Conduct for Prevention of Insider Trading as amended from time to time and Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per the SEBI (Prevention of Insider Trading) Regulations, 2015. The Code has been amended from time to time to align it with the requirements of the provisions of applicable laws, rules and regulations.
- (b) The Whistle-Blower Policy has been laid down with an objective to create an environment where an employee has easy access to raising a concern and his identity is also protected and it is also put up on the Company's website [www.thomascook.in](http://www.thomascook.in)
- (c) The Fraud and Theft Policy and the Fraud and Theft response plan, have been laid down with an objective to address the instances of frauds and thefts occurring in the Company and to create awareness in this regard.
- (d) The Information Systems Security Policy lays down framework and guidelines governing the usage of Information Technology in the organisation. Significant changes taking place in the Information Systems and/or Technology that would affect the security and control perspective favourably/ adversely and on any significant breaches of the security/ security policy are monitored under this Policy. A Committee (Information Systems Security Committee) has overall responsibility for all areas concerning IT security.
- (e) The Anti Money Laundering Policy lays down internal control procedures to ensure that the compliances of all rules and regulations including business processes are met. The Company has also adopted the system of Concurrent Audit for its branches in the foreign exchange business with effect from October 2003 as per the requirements of Reserve Bank of India.
- (f) Company has a Policy on Prevention of Sexual Harassment at Workplace as per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (g) Company has a Policy on Corporate Social Responsibility as per the requirements of Companies Act, 2013.
- (h) The Company has adopted a Policy on Material Subsidiaries and it is also put up on the Company's website and weblink thereto is <http://www.thomascook.in/tcportal/downloads/Policy%20on%20Material%20Subsidiaries.pdf>
- (i) The Company also has a Policy on Related Party Transactions and Materiality of Related Party Transactions and it is also put up on the Company's website and weblink thereto is <http://www.thomascook.in/tcportal/downloads/Related%20Party%20and%20Materiality%20Policy.pdf>
- (j) The Policy on Business Ethics & Integrity (Values that work....at work) was implemented in February 1998 and amended in January 2015, puts down in detail the ethical values for each and every employee of the organisation.
- (k) The Archival Policy of the Company was implemented with the objective to maintain complete, accurate and high quality records as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is also put up on the Company's website and weblink thereto is <http://www.thomascook.in/tcportal/downloads/Archival%20Policy.pdf>
- (l) Policy on Acquisition / Takeover / Merger by Subsidiaries of Thomas Cook (India) Limited lays down the framework for the internal procedure for Merger and Acquisition (M&A) activities of Thomas Cook (India) Limited i.e. transactions where TCIL is either a contracting party or a counter party, to the transaction. This policy was framed with a view to clearly articulate the corporate requirements for M&A activities by TCIL's subsidiaries, and remove any ambiguity in that behalf.
- (m) Policy For Preservation of Documents was implemented to derive a framework for retaining records in such a manner that it is retrievable at a later date so that the business dealings can be accurately reviewed as required.
- (n) Policy on Criteria for determining Materiality of events/ information was adopted by the Board of Directors of Thomas Cook (India) Limited under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to lay down the criteria for determination of materiality of events and information that need to be disclosed to the Stock Exchanges as and when they take place in the Company.
- (o) Dividend Distribution Policy was adopted by the Board of Directors of Thomas Cook (India) Limited under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Dividends, are to be declared at the annual general meetings of shareholders, based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividend(s) to the shareholders of the Company.
- (p) Guidelines on Corporate Governance which would act as a formal code / written guideline(s) in addition to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act 2013 and other applicable laws / requirements in respect of the Corporate Governance practices of the Company.

**(ii) Internal Codes adopted:**

- (a) Code of Conduct which was formulated has been amended as per the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Board of Directors and Senior Management Personnel of the Company to enhance the standards of ethical conduct and uphold these standards in day-to-day activities, to further achieve good corporate governance and to implement highest degree of transparency, integrity, accountability and corporate social responsibility in all its dealings. The Code is also put up on the Company's website: [www.thomascook.in](http://www.thomascook.in). An affirmation of the Chairman & Managing Director regarding compliance with the Code of Conduct by all the Directors and Senior Management Personnel of the Company is annexed to this report as an Annexure.

**6. SUBSIDIARY COMPANIES:**

Quess Corp Limited was an Indian unlisted material subsidiary of the Company for the period from 1st April, 2016 to 11th July, 2016. Quess Corp Limited listed its equity shares on BSE Limited and The National Stock Exchange of India Limited w.e.f 12th July, 2016 and accordingly, Quess Corp Limited does not fall in the criteria of Indian unlisted material subsidiary under Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

As on 31st March, 2017, the Company does not have any Indian unlisted material subsidiaries. Further, the Company monitors the performance of all its subsidiaries, *inter alia*, by the following means:

- The financial statements, in particular, the investments made by the unlisted Indian subsidiary companies are reviewed by the Audit Committee of the Company as and when required.
- The minutes of the Board Meetings of the subsidiaries are noted at the Board Meetings of the Company.
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

**7. ANNUAL GENERAL MEETINGS:****a. Location and time where last three Annual General Meetings were held:**

Location	Date	Time	Special resolutions passed at last three Annual General Meetings (AGM)
Pama Thadani Auditorium, Jai Hind College, 'A' road, Churchgate, Mumbai 400 020	2nd September, 2016	3.30 p.m.	1) Alteration of objects clause of Memorandum of Association of the company
Pama Thadani Auditorium, Jai Hind College, 'A' road, Churchgate, Mumbai 400 020	27th August, 2015	3.30 p.m.	1) Re-appointment of Mr. Madhavan Menon as Managing Director for a period of 5 years and fixing his remuneration 2) Waiver of the excess remuneration paid to Mr. Madhavan Menon, Managing Director, during the period of fifteen months ended 31st March 2015. 3) Amendment and Implementation of the Thomas Cook Save As You Earn Scheme, 2010 ('SAYE Scheme') 4) Extension of the amended Thomas Cook Save As You Earn Scheme, 2010 ('SAYE Scheme') to the employees of subsidiaries 5) Amendment of the Thomas Cook Employees Stock option Plan, 2007 ('ESOP 2007') 6) Extension of the amended Thomas Cook Employees Stock option Plan, 2007 ('ESOP 2007') to the employees of subsidiaries 7) Amendment of the Thomas Cook Employees Stock option Plan, 2013 ('ESOP 2013') 8) Extension of the amended Thomas Cook Employees Stock option Plan, 2013 ('ESOP 2013') to the employees of subsidiaries
Y. B. Chavan Auditorium Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	30th May, 2014	3.30 p.m.	Payment of Commission to Non Executive Directors of the Company.

**b. Resolutions passed through Postal Ballot process**

During the financial year under review the following resolution was passed by the Company's Shareholders through Postal Ballot:

**1. Postal Ballot Notice dated 13th December, 2016 in respect of the following matter:**

**Special Resolution No. 1:** Authority to the Board of Directors to offer, invite subscriptions for Secured or Unsecured, Redeemable Non Convertible Debentures, in one or more tranches, on Private Placement basis.

Mr. P. N. Parikh [FCS: 327] of M/s. Parikh & Associates, Company Secretaries, Scrutinizer appointed by the Board has submitted his report containing the following result of the postal ballot (physical as well as e-voting) which was declared on 31st January, 2017.

Particulars	Authority to the Board of Directors to offer, invite subscriptions for Secured or Unsecured, Redeemable Non Convertible Debentures, in one or more tranches, on Private Placement basis		
	No. of members voted through electronic voting system and through physical ballot form	No. of votes cast	Percentage
Total Received	327	296688370	
Less: Invalid	10	8840	
Valid	317	296679530	100.00
- Assent	295	296666173	100.00
- Dissent	22	13357	0.00

**c. Procedure for Postal ballot**

In compliance with Section 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provided electronic voting (e-voting) facility to its members. The Company engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing e-voting facility to its members. The members had the option to vote either by physical ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelope to its members whose names appeared on the register of members/ list of beneficiaries as on the cut-off date decided by the Board. The postal ballot notice was sent to members in electronic form to the e-mail addresses registered with the depository participants (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agent (in case of physical shareholding). For members whose email ids are not registered, physical copies of the postal ballot notice alongwith forms and prepaid self addressed business reply envelope were sent by permitted mode (i.e through registered post or through courier). The Company had also published a notice in the newspapers declaring the details of completion of dispatch and such other requirements as mandated under the Act and applicable rules.

Voting rights were reckoned on the paid- up value of the equity shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before the close of the business hours on the last date of the e-voting.

The scrutinizer submitted his report to the Chairman, after the completion of the scrutiny, and the consolidated results of the voting by postal ballot, were then announced by the Chairman. The results were displayed on the Company website [www.thomascook.in](http://www.thomascook.in) and were also put on the notice board of the Company besides being communicated to the stock exchanges, depository and Registrar and Share Transfer Agent. The last date for the receipt of duly completed Postal Ballot forms or e-voting was the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

Currently, no special resolution is proposed to be conducted through Postal Ballot. Further, Postal Ballot whenever conducted by the Company will be carried out as per the provisions of the Companies Act, 2013 read with rules made there under & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**8. DISCLOSURES:**

- i) The Company does not have any material related party transactions that may have any potential conflict with the interest of the Company at large. The Policy on dealing with Related Party Transactions is put up on website of the Company on the link <http://www.thomascook.in/tcportal/downloads/Related%20Party%20and%20Materiality%20Policy.pdf>
- ii) The Company has complied with all the requirements of the Stock Exchanges, SEBI or any other statutory authority(ies) on any matter related to capital markets during the last three years and no penalties, strictures have been imposed against it by such authorities during such period.
- iii) The Company's accounting policies are in line with generally accepted practices in India and these policies have been consistently adopted & applied and there is no change in these policies during the period.
- iv) The senior management of the Company makes timely disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest in any transaction or matter that may have a potential conflict with the interest of the Company.
- v) As per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has established a Whistle Blower Policy for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct policy. The policy is also put up on the Company's website [www.thomascook.in](http://www.thomascook.in). This policy also provides for adequate safeguards against victimization of employees who avail of the mechanism and provides for direct access to the Ombudsperson/Audit Committee Chairman under the Code. No personnel has been denied access to the Audit Committee.
- vi) The Company has fully complied with all the mandatory requirements as stipulated under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and has also adopted the following Non Mandatory Discretionary requirements as prescribed in Part E of the Schedule II to the Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time:
  - The Internal Auditor directly reports to the Audit Committee
  - The Company has appointed separate persons to the post of Chairman and Chief Executive Officer
- vii) Pursuant to Schedule VI, Regulation 39 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and erstwhile Clause 5A of SEBI Listing Agreements, the Company had already sent three (3) reminder letters to those shareholders whose shares are remaining unclaimed and lying with the Company/ Registrars and Share Transfer Agents. Thereafter, equity shares lying unclaimed/ undelivered were transferred to "Thomas Cook - Unclaimed Suspense Account" as required under the Listing Agreements and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received request from 4 shareholders for claiming 24580 equity shares during the financial year.

In terms of Schedule IV, Regulation 39 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account, which were issued in demat form and/or physical form, respectively:

Particulars	Number of Shareholders	Number of equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2016	97	150377
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	4	24580
Number of shareholders to whom shares were transferred from the suspense account during the year	4	24580
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	93	125797

The voting rights on the shares outstanding in the suspense account as on 31st March, 2017 shall remain frozen till the rightful owner of such shares claims the shares.

- viii) The Company has issued a formal letter of appointment to Independent Directors of the Company in the manner provided under the Companies Act, 2013 and the terms and conditions of appointment are also disclosed on the Company's website and the weblink thereto is <http://www.thomascook.in/tportal/downloads/Terms%20and%20Conditions%20of%20Appointment%20of%20Independent%20Director.pdf>

- ix) Familiarisation programme for Independent Directors

The Company has devised a systematic framework for familiarising the Independent Directors to the Company. The Company takes due steps for familiarising Independent directors by providing them necessary documents, reports and internal policies to enable them to get familiarised with the Company's procedures and practices. Further presentations pertaining to business performance updates, global business environments etc. are made by various Department heads and Senior management personnel in the Board and Committee Meetings. The familiarisation programme is also disclosed on the Company's website and the weblink thereto is <http://www.thomascook.in/tportal/downloads/Familiarisation%20Programmes%20for%20Independent%20Directors.pdf>

- x) Criteria for performance evaluation of Independent Directors

The performance of the Independent Directors was also evaluated taking into account the time devoted and attention given to professional obligations for independent decision making and acting in the best interest of the Company, strategic guidance to the Company and help determine / formulate important policies, external expertise provided and independent judgment that contributes objectively in the Board's deliberation, particularly on issues of strategy, performance and conflict management.

## 9. MEANS OF COMMUNICATION:

- The Unaudited Quarterly Financial Results of the Company to be published in the proforma prescribed by the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) are approved and taken on record by the Board of Directors of the Company within the statutory timelines. The approved results are forthwith sent to Stock Exchanges in the manner as prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the results in the prescribed proforma alongwith the detailed press release, if any are published within 48 hours in the media ensuring wider publicity. The audited annual financial results are published within the stipulated period as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchanges.
- The quarterly, half yearly and annual financial results of the Company are uploaded on the electronic portals of BSE Limited and The National Stock Exchange of India Limited and the same are also published in English and Marathi Language Newspapers, namely Free Press Journal & Navshakti respectively.
- The quarterly, half yearly and annual financial results have also been hosted on the Company's website [www.thomascook.in](http://www.thomascook.in).
- All the official news releases and presentations on significant developments in the Company are hosted on Company's website and provided to the Stock Exchanges and the press simultaneously.
- The Company ensures necessary updation of details pertaining to calls or presentations to institutional investors or analysts to the Stock Exchanges and also uploads the same on the website of the Company.

## 10. THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF THE DIRECTORS' REPORT

## 11. GENERAL SHAREHOLDER INFORMATION:

<b>Annual General Meeting</b>	:	40th Annual General Meeting
<b>Date</b>	:	Wednesday, 2nd August, 2017
<b>Time</b>	:	3.30 p.m.
<b>Venue</b>	:	Pama Thadhani Auditorium, Jai Hind College, 'A' Road, Churchgate, Mumbai – 400 020
<b>Financial Year</b>	:	1st April, 2016 to 31st March, 2017
<b>Book Closure</b>	:	Wednesday, 26th July, 2017 to Wednesday, 2nd August, 2017 (both days inclusive)
<b>Dividend payment date</b>	:	Friday, 18th August, 2017

**Listing on Stock Exchanges**

<b>A. Equity Shares of ₹ 1/- each</b>	<p>: BSE Limited</p> <p>1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Tel.: 022-2272 1233/34 Fax: 022-2272 1919/3027</p> <p>The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Tel.: 022-2659 8100 - 14 Fax: 022-2659 8237/38</p>
<b>Stock Code</b>	<p>: BSE Limited</p> <p>Securities in - Physical Form No. 413</p> <p>Scrip Code – 500413</p> <p>Scrip Name – THOMAS CK IN</p> <p>Scrip Id – THOMASCOOK</p> <p>The National Stock Exchange of India Limited Symbol – THOMASCOOK</p> <p>Series – EQ</p> <p>Scrip Name – THOMAS COOK</p>
<b>ISIN</b>	: INE332A01027
<b>B. 10.52% Unsecured Redeemable Non Convertible Debentures ('NCDs') of ₹ 10 lakh each</b>	<p>: BSE Limited</p> <p>1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Tel.: 022-2272 1233/34 Fax: 022-2272 1919/3027</p> <p>The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Tel.: 022-2659 8100 - 14 Fax: 022-2659 8237/38</p>
<b>Stock Code</b>	<p>: BSE Limited</p> <p>Scrip Id – 1052TCIL18</p> <p>Scrip Code – 949099</p> <p>The National Stock Exchange of India Limited</p> <p>Symbol – THOMAS COOK 10.52%2018</p> <p>Stock Name - DBTHC18</p>
<b>ISIN</b>	: INE332A08014
<b>C. 9.37 % Unsecured Redeemable Non Convertible Debentures ('NCDs') of ₹10 lakh each</b>	<p>: BSE Limited</p> <p>1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Tel.: 022-2272 1233/34 Fax: 022-2272 1919/3027</p> <p>The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Tel.: 022-2659 8100 - 14 Fax: 022-2659 8237/38</p>
<b>Stock Code</b>	<p>: BSE Limited</p> <p>Scrip Id – 937TCIL18I,937TCIL19II, 937TCIL20III</p> <p>Scrip Code – 952673, 952674, 952675</p> <p>The National Stock Exchange of India Limited</p> <p>Symbol – Thomas Cook 9.37% 2018 SERIES 1, Thomas Cook 9.37% 2019 SERIES 2, Thomas Cook 9.37% 2020 SERIES 3</p> <p>Stock name – DBTHC18, DBTHC19, DBTHC20</p>
<b>ISIN</b>	: INE332A08022, INE332A08030, INE332A08048



**D. Non Convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 10/- each**

: BSE Limited  
1st Floor, New Trading Ring, Rotunda Building,  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  
Tel.: 022-2272 1233/34  
Fax: 022-2272 1919/3027  
  
The National Stock Exchange of India Limited Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051  
Tel.: 022-2659 8100 - 14  
Fax: 022-2659 8237/38

**Stock Code**

: BSE Limited  
Scrip Id – 850TCIL22 Scrip Code – 715022  
The National Stock Exchange of India Limited  
Stock Name – Thomas Cook CRNCPS 8.50% 2022  
Symbol – PSTHC22

**ISIN**

: INE332A04039

**Corporate Identification Number (CIN)**

: L63040MH1978PLC020717

The listing fees for the financial year under review has been paid to the Stock Exchanges where the shares and debentures of the Company are listed in respect of all classes of shares and debentures.

**Commodity price risk or foreign exchange risk and hedging activities**

There are various financial instruments available to mitigate the risks of hedging like Spot Deals, Forward Cover, Options and Derivative etc. The Company hedges the Forex exposures by doing Spot deals or Forward Cover as measure for mitigating the Forex Volatility.

**CEO and CFO certification**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification forms part of the Annual Report.

**Auditor's Certificate on Corporate Governance**

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor's Certificate on Corporate Governance forms part of the Annual Report.

**Market Price Data (Equity)** : High, Low and Volume (in equity shares) during each month of the financial year

**BSE Limited (BSE):**

Sr. No.	Month	High (₹ )	Low (₹)	Volume ( Equity Shares)
1.	April 2016	197.15	179.50	270413
2.	May 2016	187.40	165.60	1289446
3.	June 2016	227.90	175.60	2490771
4.	July 2016	228.80	188.00	2148971
5.	August 2016	208.00	188.90	1193375
6.	September 2016	203.40	191.00	494869
7.	October 2016	222.95	198.00	699596
8.	November 2016	221.00	185.20	2277957
9.	December 2016	194.00	178.00	152366
10.	January 2017	201.50	184.50	363751
11.	February 2017	202.00	185.85	303377
12.	March 2017	238.20	190.25	897401

**The National Stock Exchange of India Limited (NSE):**

Sr. No.	Month	High (₹)	Low (₹)	Volume ( Equity Shares)
1.	April 2016	198.00	179.35	2272922
2.	May 2016	187.90	165.00	3895787
3.	June 2016	227.70	175.95	10325191
4.	July 2016	228.90	189.95	10275132
5.	August 2016	208.00	189.10	5646465
6.	September 2016	203.95	192.55	3434044
7.	October 2016	222.00	197.05	4540124
8.	November 2016	221.90	185.00	2705308
9.	December 2016	194.40	178.00	1368003
10.	January 2017	202.00	184.10	1989673
11.	February 2017	202.40	186.35	2442459
12.	March 2017	238.30	189.40	6116254

**Share Capital Structure**

Share Capital structure as of 25th May, 2017

Authorised Capital:	₹	₹
Equity Shares:		
1335000000 Equity Shares of ₹ 1/- each	1,335,000,000	
Preference Shares:		
250000000 Preference Shares of ₹ 10/- each	2,500,000,000	
		3,835,000,000
<b>Issued, Subscribed and Paid-up Capital:</b>		
Equity Shares:		
366818811 Equity Shares of ₹ 1/- each	366,818,811	
Preference Shares:		
125000000 Non Convertible Cumulative Redeemable Preference Shares of ₹10/- each	1,250,000,000	1,616,818,811

**Equity share capital history of the Company since inception:**

Particulars of Issue of Capital	Date of allotment/ resolution	No. of shares	Face Value (in ₹)	Total Value (in ₹)	Cumulative Paid-up Equity Capital (in ₹)
Subscription to Memorandum & Articles of Association	20th November, 1978	2	10	20	20
Allotment	1st March, 1979	5	10	50	70
Initial Public Offering	18th February, 1983	699993	10	6,999,930	7,000,000
Bonus Issue (1:2)	1st February, 1988	350000	10	3,500,000	10,500,000
Bonus Issue (1:2)	27th March, 1991	525000	10	5,250,000	15,750,000
Bonus Issue (1:1)	28th December, 1993	1575000	10	15,750,000	31,500,000
Bonus Issue (2:3)	11th October, 1995	2100000	10	21,000,000	52,500,000
Bonus Issue (2:3)	12th September, 1997	3500000	10	35,000,000	87,500,000
Bonus Issue (2:3)	27th July, 2000	5833333	10	58,333,330	145,833,330
Pursuant to the scheme of amalgamation of LKP Forex Limited	7th February, 2007	1494900	10	14,949,000	160,782,330
Sub-division of shares from ₹ 10/- each to ₹ 1/- each	14th May, 2007	-	1	160,782,330	160,782,330
Allotment pursuant to ESOP Scheme 2007	26th August, 2008	13540	1	13,540	160,795,870
Rights Issue (35:100)	21st January, 2009	50650699	1	50,650,699	211,446,569

Particulars of Issue of Capital	Date of allotment/ resolution	No. of shares	Face Value (in ₹)	Total Value (in ₹)	Cumulative Paid-up Equity Capital (in ₹)
Allotments pursuant to ESOP Scheme 2007	18th January, 2010	100000	1	1,00,000	211,546,569
	16th April, 2010	95159	1	95,159	211,641,728
	16th June, 2010	35832	1	35,832	211,677,560
	30th July, 2010	59646	1	59,646	211,737,206
	28th September, 2010	29996	1	29,996	211,767,202
	22nd October, 2010	37497	1	37,497	211,804,699
	14th December, 2010	3000	1	3,000	211,807,699
	6th February, 2011	2500	1	2,500	211,810,199
	17th February, 2011	6600	1	6,600	211,816,799
	26th April, 2011	60834	1	60,834	211,877,633
	29th June, 2011	42830	1	42,830	211,920,463
	22nd July, 2011	10000	1	10,000	211,930,463
	9th September, 2011	2500	1	2,500	211,932,963
	30th September, 2011	12500	1	12,500	211,945,463
	21st October, 2011	6465	1	6,465	211,951,928
	18th November, 2011	55434	1	55,434	212,007,362
	5th April, 2012	98540	1	98,540	212,105,902
	27th April, 2012	715318	1	715,318	212,821,220
	29th May, 2012	17260	1	17,260	212,838,480
	5th July, 2012	320214	1	320,214	213,158,694
Allotment pursuant to IPP under Chapter VIII-A of SEBI (ICDR) Regulations, 2009	7th May, 2013	34379606	1	34,379,606	247,538,300
Allotments pursuant to ESOP Scheme 2007	24th July, 2013	50000	1	50,000	247,588,300
	8th October, 2013	57597	1	57,597	247,645,897
	24th October, 2013	35000	1	35,000	247,680,897
Allotment pursuant to conversion of 319,765 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each and 271,800 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each into 5,140,000 equity shares of ₹1/- each	25th April, 2014	5140000	1	5,140,000	252,820,897
Allotments pursuant to ESOP Scheme 2007	17th April, 2014	11665	1	11,665	252,832,562
	21st May, 2014	413690	1	413,690	253,246,252
Allotments pursuant to Thomas Cook SAYE Scheme 2010	21st May, 2014	414954	1	414,954	253,661,206
	20th June, 2014	19763	1	19,763	253,680,969
Allotments pursuant to ESOP Scheme 2007	4th July, 2014	436416	1	436,416	254,117,385
Allotments pursuant to ESOP Scheme 2007	29th September, 2014	79120	1	79,120	254,196,505
	29th October, 2014	151200	1	151,200	254,347,705
	18th November, 2014	55620	1	55,620	254,403,325
	15th December, 2014	48262	1	48,262	254,451,587
	19th February, 2014	9240	1	9,240	254,460,827
Allotment of 18,270,000 equity shares of ₹1/- each on 9th March, 2015 to Fairbridge Capital (Mauritius) Limited (FMCL), Promoter of the Company on conversion of 1,827,000 Compulsorily Convertible Preference shares of ₹10/- each.	9th March, 2015	18270000	1	18,270,000	272,730,827
	10th April, 2015	35000	1	35,000	272,765,827
Allotments pursuant to ESOP Scheme 2007					
Allotments pursuant to ESOP Scheme 2007	10th April, 2015	41663	1	41,663	272,807,490
Allotments pursuant to ESOP Scheme 2007	10th April, 2015	15840	1	15,840	272,823,330

Particulars of Issue of Capital	Date of allotment/ resolution	No. of shares	Face Value (in ₹)	Total Value (in ₹)	Cumulative Paid-up Equity Capital (in ₹)
Equity Shares allotted to the shareholders of Sterling Holiday Resorts (India) Limited pursuant to the Composite Scheme of Arrangement and Amalgamation between Sterling Holiday Resorts (India) Limited (SHRIL) and Thomas Cook Insurance Services (India) Limited (TCISIL) and Thomas Cook (India) Limited (TCIL) and their respective shareholders and creditors sanctioned by the Hon'ble High Court, Bombay, by its Order dated 2nd July, 2015 (Composite Scheme)	3rd September, 2015	48657929	1	48,657,929	321,481,259
Shares Allotted pursuant to conversion on of CCPS	8th September, 2015	44230000	1	44,230,000	365,711,259
Allotment Pursuant to ESOP Scheme 2007	28th October, 2015	77550	1	77,550	365,788,809
Allotment Pursuant to ESOP Scheme 2007	1st December, 2015	26120	1	26,120	365,814,929
Allotment Pursuant to ESOP Scheme 2007	23rd December, 2015	18500	1	18,500	365,833,429
Allotment Pursuant to ESOP Scheme 2007	1st February, 2016	37560	1	37,560	365,870,989
Allotment Pursuant to ESOP Scheme 2007	8th March, 2016	9240	1	9,240	365,880,229
Allotments pursuant to SHRIL ESOS 2012	7th April, 2016	63520	1	63520	365943749
Allotments pursuant to ESOP Scheme 2007	4th May, 2016	11880	1	11880	365955629
Allotments pursuant to ESOP Scheme 2007	17th May, 2016	17350	1	17350	365972979
Allotment Pursuant to SHRIL ESOS 2012	6th June, 2016	30186	1	30186	366003165
Allotment Pursuant to ESOP Scheme 2007	6th June, 2016	455500	1	455500	366458665
Allotments pursuant to ESOP Scheme 2007	15th July, 2016	25870	1	25870	366484535
Allotments pursuant to SHRIL ESOS 2012	17th August, 2016	6612	1	6612	366491147
Allotments pursuant to ESOP Scheme 2007	19th September, 2016	28876	1	28876	366520023
Allotment Pursuant to ESOP Scheme 2007	20th October, 2016	124828	1	124828	366644851
Allotment Pursuant to SHRIL ESOS 2012	20th October, 2016	16480	1	16480	366661331
Allotments pursuant to ESOP Scheme 2007	21st November, 2016	12120	1	12120	366673451
Allotments pursuant to SHRIL ESOS 2012	21st November, 2016	3150	1	3150	366676601
Allotments pursuant to ESOP Scheme 2007	23rd January, 2017	44442	1	44442	366721043
Allotments pursuant to SHRIL ESOS 2012	23rd January, 2017	648	1	648	366721691
Allotments pursuant to ESOP Scheme 2007	1st March, 2017	36178	1	36178	366757869
Allotments pursuant to SHRIL ESOS 2012	1st March, 2017	1728	1	1728	366759597

**Preference share capital history of the Company since inception:**

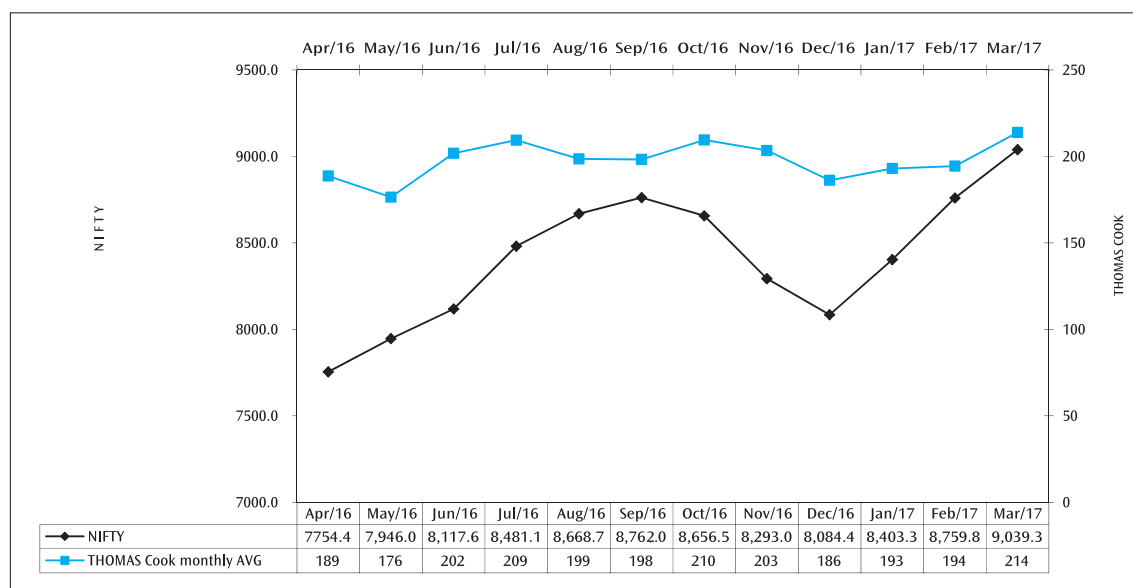
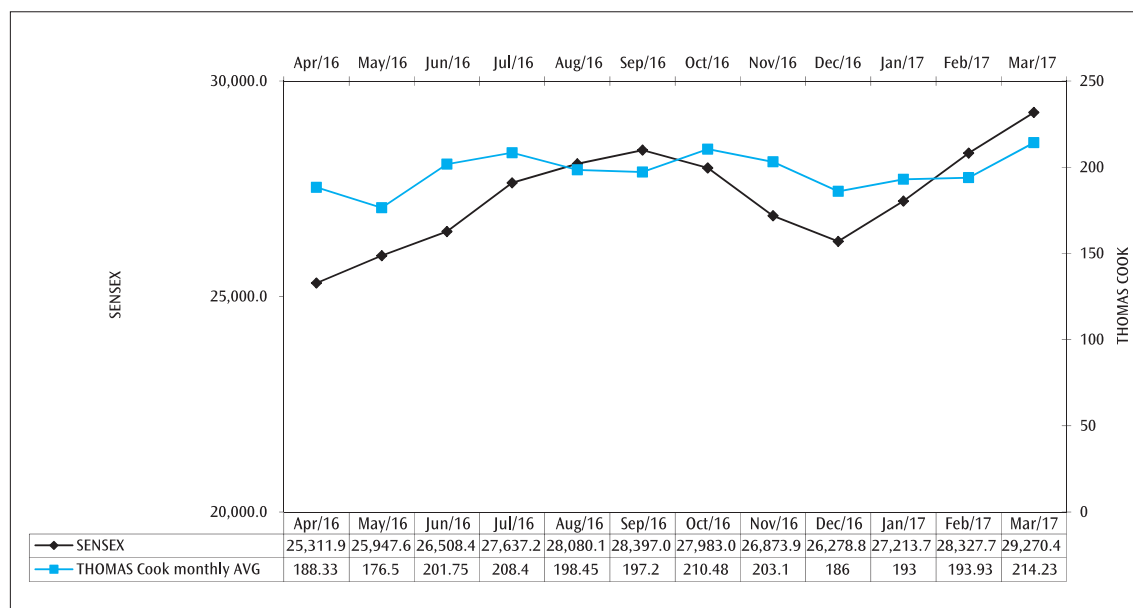
Class of preference shares	Date of Allotment	No. of preference shares allotted	Face Value (in ₹)	Date of Redemption/ Conversion
Class 'A' 4.65% Cumulative Non Convertible Redeemable Preference Shares of ₹ 10/- each*	7th February, 2007	103284000	10	30th January, 2008
Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each**	7th February, 2007	319765	10	25th April, 2014
Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each**	7th February, 2007	271800	10	25th April, 2014
1% Cumulative Non Convertible Redeemable Preference Shares of ₹ 10/- each***	29th January, 2008	105000000	10	29th January, 2009
Compulsorily Convertible Preference shares of ₹ 10/- each (CCPS)#	13th March, 2014	6250000	10	8th September, 2015
Non Convertible Cumulative Redeemable Preference Shares	1st December, 2015	125000000	10	-

\* As per the Scheme of Amalgamation, 103284000 Class 'A' 4.65% Cumulative Non Convertible Redeemable Preference Shares of ₹ 10/- each amounting to ₹ 1,032,840,000/- were allotted on 7th February, 2007 and were redeemed on 30th January, 2008 out of the proceeds of 1% Cumulative Non Convertible Redeemable Preference Shares of ₹ 10/- each allotted on 29th January, 2008.

\*\* 319765 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each and 271800 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each were converted on 25th April, 2014 into 5140000 Equity Shares of ₹ 1/- each.

\*\*\* 105000000 1% Cumulative Non Convertible Redeemable Preference Shares of ₹ 10/- each amounting to ₹ 1,050,000,000/- were allotted on 29th January, 2008 and were redeemed on 29th January, 2009 out of the proceeds of the Rights Issue of Equity Shares of ₹ 1/- each allotted on 21st January, 2009.

# 6250000 Compulsorily Convertible Preference shares of ₹ 10/- each (CCPS) were allotted on 13th March, 2014 out of which 1827000 CCPS of ₹ 10/- each were converted into 18270000 Equity Shares of ₹ 1/- each on 9th March, 2015 and allotted to Fairbridge Capital (Mauritius) Limited (FMCL), Promoter of the Company. The remaining 4423000 CCPS of ₹ 10/- each were converted into 44230000 Equity Shares of ₹ 1/- each on 8th September, 2015 and allotted to Fairbridge Capital (Mauritius) Limited (FCML), Promoter of the Company.

**Performance in comparison to broad-based indices such as BSE SENSEX (SENSEX), NSE CNX Nifty****Registrars & Share Transfer Agents**

:

TSR Darashaw Limited,  
 6-10, Haji Moosa Patrawala Indl. Estate 20,  
 Dr. E Moses Road, Mahalakshmi,  
 Mumbai 400 011 Tel: +91 22 6656 8484  
 Fax: +91 22 6656 8494  
 Email Id: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
 Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

**Transfer to Investor Education and Protection Fund (IEPF)**

In terms of Section 124 and 125 of the Companies Act, 2013 (corresponding Section 205C of the Companies Act, 1956) and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, an amount of ₹ 191,575/- being unclaimed dividend and due for payment for the financial year ended 31st December, 2008 and declared on 28th May, 2009 was transferred during the year to the IEPF Fund established by the Central Government.



**Share Transfer System:**

The Share Transfer is normally effected within a maximum period of 15 days from the date of receipt, if all the required documentation is submitted. The Company Secretary & Compliance Officer has been given the authority by the Board of Directors to approve the share transfers. The Stakeholders Relationship Committee notes the approval of the same at the next meeting. The Committee meets for approval of issue of duplicate share certificate, split, consolidation, etc. as per the request received.

**I. (a) Distribution of Equity shareholding as on 31st March, 2017:**

Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1 to 5000	16135771	16,135,771	4.40	44945	97.00
5001 to 10000	4928758	4,928,758	1.34	703	1.51
10001 to 20000	5455952	5,455,952	1.49	430	0.93
20001 to 30000	1959294	1,959,294	0.53	79	0.17
30001 to 40000	1154441	1,154,441	0.31	33	0.07
40001 to 50000	1423817	1,423,817	0.39	31	0.07
50001 to 100000	2991199	2,991,199	0.82	41	0.09
Greater than 100000	332710365	332,710,365	90.72	73	0.16
<b>Total</b>	<b>366759597</b>	<b>366,759,597</b>	<b>100.00</b>	<b>46,335</b>	<b>100.00</b>

**(b) Categories of Equity Shareholders as on 31st March, 2017:**

Sr. No.	Shares held by	No. of shares held	% of Shareholding
1	Foreign Holdings		
	a. Foreign Collaborators	248153725	67.66
	b. Foreign Institutional Investors	27865074	7.60
	c. Overseas Corporate Bodies	0	0.00
	d. Other NRI's	1204633	0.33
	Total (a+b+c+d)	277223432	75.59
2	Govt. /Govt. Sponsored Financial Institutions / Nationalised Banks	15730	0.00
3	Foreign Banks	2280	0.00
4	Other Banks	30903	0.01
5	Mutual funds	41363185	11.28
6	Insurance Companies	6468994	1.76
7	Bodies Corporate	8699215	2.37
8	Other Directors & their Relatives	209102	0.06
9	Trusts	16067	0.00
10	Other Resident Individuals	32730689	8.92
	<b>Grand Total (1+2+3+4+5+6+7+8+9+10)</b>	<b>366759597</b>	<b>100.00</b>

**(c) Dematerialisation of Equity shares and liquidity Status of dematerialisation as on 31st March, 2017:**

Particulars	No. of shares	% to Capital	No. of Accounts
National Securities Depository Limited	352080774	96.00	24,614
Central Depository Services (India) Limited	11509544	3.14	12,854
Total Dematted (A)	363590318	99.14	37,468
Physical (B)	3169279	0.86	8,867
<b>Total (A + B)</b>	<b>366759597</b>	<b>100.00</b>	<b>46,335</b>

**(d) Top 10 Equity Shareholders as on 31st March, 2017:**

(Other than Promoters, Directors, their relatives and Associates)

Name(s) of Shareholders	Category (as per Depository)	Shares	% to Capital
ICICI Prudential Mutual Funds & Groups	Mutual Fund	28952037	7.89
Birla Sun Life Trustee Company Private Limited (Mutual Fund & Groups)	Mutual Fund	12217665	3.33
ICICI Prudential Life Insurance Company Ltd	Other Insurance Companies	6468994	1.76
Kotak Mahindra (International) Limited	Foreign Portfolio Investors (Corporate)	4359365	1.19
India Capital Fund Limited	Foreign Portfolio Investors (Corporate)	3257692	0.89
Government Pension Fund Global	Foreign Portfolio Investors (Corporate)	3138606	0.86
Morgan Stanley Asia (Singapore) Pte.	Foreign Portfolio Investors (Corporate)	2549773	0.70
The Wellington Trust Company National Association Multiple Common Trust Funds Trust Emerging Markets Local Equity Portfolio	Foreign Portfolio Investors (Corporate)	2481516	0.68
Ramesh Ramanathan	Resident individual	2413575	0.66
The Board Of Regents Of The University Of Texas System - Ut Saga Tree Llc	Foreign Portfolio Investors (Corporate)	2226436	0.61
<b>Total</b>		<b>68065659</b>	<b>18.57</b>

**II. (a) Distribution of shareholding of Non Convertible Cumulative Redeemable Preference Shares as on 31st March, 2017:**

Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1 to 5000	0	0	0.00	0	0.00
5001 to 10000	0	0	0.00	0	0.00
10001 to 20000	0	0	0.00	0	0.00
20001 to 30000	0	0	0.00	0	0.00
30001 to 40000	0	0	0.00	0	0.00
40001 to 50000	0	0	0.00	0	0.00
50001 to 100000	0	0	0.00	0	0.00
GREATER THAN 100000	125000000	1,250,000,000	100.00	1	100.00
<b>TOTAL</b>	<b>125000000</b>	<b>1,250,000,000</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>

**(b) Categories of Non Convertible Cumulative Redeemable Preference Shareholders as on 31st March, 2017:**

Sr. No.	Shares held by	No. of shares held	% of Shareholding
1	Foreign Holdings	0	0.00
	a. Foreign Collaborators	0	0.00
	b. Foreign Institutional Investors	125000000	100.00
	c. Overseas Corporate Bodies	0	0.00
	d. Other NRI's	0	0.00
	<b>Total (a+b+c+d)</b>	<b>125000000</b>	<b>100.00</b>
2	Govt. /Govt. Sponsored Financial Institutions / Nationalised Banks	0	0.00
3	Foreign Banks	0	0.00
4	Other Banks	0	0.00
5	Mutual funds	0	0.00
6	Insurance Company	0	0.00
7	Bodies Corporate	0	0.00
8	Directors & their Relatives	0	0.00
9	Trusts	0	0.00
10	Other Resident Individuals	0	0.00
	<b>Grand Total (1+2+3+4+5+6+7+8+9+10)</b>	<b>125000000</b>	<b>100.00</b>

(c) **Dematerialisation of Non Convertible Cumulative Redeemable Preference Shares and liquidity:**

Status of dematerialisation as on 31st March, 2017:

Particulars	No. of shares	% to Capital	No. of Accounts
National Securities Depository Limited	125000000	100.00	1
Central Depository Services (India) Limited	0	0.00	0
<b>Total Dematted (A)</b>	<b>125000000</b>	<b>100.00</b>	<b>1</b>
Physical (B)	0	0.00	0
<b>Total (A + B)</b>	<b>125000000</b>	<b>100.00</b>	<b>1</b>

(d) **Top 10 Non Convertible Cumulative Redeemable Preference Shareholders as on 31st March, 2017:**

(Other than Promoters, Directors, their relatives and Associates)

Name(s) of Shareholders	Category (as per Depository)	Shares	% to Capital
HWIC Asia Fund Class A Shares	FII	125000000	100.00
<b>TOTAL</b>		<b>125000000</b>	<b>100.00</b>

**Outstanding Debt/ GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:****I. Compulsory Convertible Preference Shares:**

No convertible preference shares were outstanding as on 31st March, 2017.

**II. Non Convertible Debentures:**

The Company had issued and allotted following 10.52% 1000 Unsecured Redeemable Non Convertible Debentures ('NCDs') of ₹ 10 lakh each, aggregating to ₹ 100 Crores on Private placement basis during the year 2013. Out of total 1000 Non Convertible Debentures amounting to ₹ 100 Crores, 333 Non Convertible Debentures were redeemed on 15th April, 2016 (under Tranche I) and 333 Non Convertible Debentures were redeemed on 15th April, 2017 (under Tranche II) as per the terms of issue in the prescribed manner.

The details of the Non Convertible Debentures remaining outstanding as on 25th May, 2017 are as follows:

Particulars	
Issue price	₹10 lakh each
No of debentures	334
Total issue size	₹100 Crores
Rate of Interest	10.52% p.a.
Period (Tenure)	60 Months with repayment staggered equally at the end of 3rd, 4th & 5th Year (i.e. 33.33%, 33.33% & 33.34%)
Date of Redemption	15th April 2018
Trustees	IDBI Trusteeship Services Limited having its registered office at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Tel: +91-22-4080 7008 Fax: +91-22-6631 1776 Website: <a href="http://www.idbitrustee.com">http://www.idbitrustee.com</a>

The aforesaid NCD's are currently listed on the BSE Limited ('BSE') &amp; The National Stock Exchange of India Limited ('NSE').

**III. Non Convertible Debentures:**

The Company had issued & allotted following 9.37% 1000 Unsecured Redeemable Non Convertible Debentures ('NCDs') of ₹ 10 lakh each, aggregating to ₹ 100 Crores on Private placement basis during the financial year 2015-16.

Particulars	Series I	Series II	Series III
Issue price	₹10 lakhs each	₹10 lakhs each	₹10 lakhs each
No of debentures	333	333	334
Issue size	₹ 33 Crores	₹ 33 Crores	₹ 34 Crores
Rate of Interest	9.37% p.a.	9.37% p.a.	9.37% p.a.
Period (Tenure)	36 Months	48 Months	60 Months
Date of Redemption	31st August, 2018	31st August, 2019	31st August, 2020

Trustees	IDBI Trusteeship Services Limited having its registered office at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Tel: +91-22-4080 7008 Fax: +91-22-6631 1776 Website: <a href="http://www.idbitrustee.com">http://www.idbitrustee.com</a>	IDBI Trusteeship Services Limited having its registered office at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Tel: +91-22-4080 7008 Fax: +91-22-6631 1776 Website: <a href="http://www.idbitrustee.com">http://www.idbitrustee.com</a>	IDBI Trusteeship Services Limited having its registered office at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Tel: +91-22-4080 7008 Fax: +91-22-6631 1776 Website: <a href="http://www.idbitrustee.com">http://www.idbitrustee.com</a>
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The aforesaid NCD's are currently listed on the BSE Limited ('BSE') & The National Stock Exchange of India Limited ('NSE').

#### IV. Non Convertible Cumulative Redeemable Preference Shares(NCCRPS):

Particulars	
Kind and Class of Security Offered	Non Convertible Cumulative Redeemable Preference Shares
Amount raised by Security	₹ 125 Crores

The aforesaid NCCRPS are currently listed on the BSE Limited ('BSE') & The National Stock Exchange of India Limited ('NSE').

#### Plant Locations:

The Company does not carry on any manufacturing activities. The Company offers its existing range of services of Foreign Exchange, Corporate Travel, Leisure Travel (Inbound & Outbound), MICE, Insurance, Visa & Passport Services and Call Centre through its wide network across India and through its subsidiaries in Mauritius, Sri Lanka and Hong Kong.

#### Address for correspondence:

##### Registered Office:

Thomas Cook (India) Limited,  
Thomas Cook Building, Dr. D. N. Road,  
Fort, Mumbai – 400 001  
Tele: +91 22 4242 7000  
Fax: +91 22 2302 2864

For grievance redressal / for registering complaints by investors/ shareholders, please contact:

E-mail: [sharedept@in.thomascook.com](mailto:sharedept@in.thomascook.com)

#### FOR AND ON BEHALF OF THE BOARD

##### Madhavan Menon

Chairman & Managing Director  
(DIN: 00008542)

Place: Mumbai

Dated: 25th May, 2017

# Certificate Regarding Compliance of Conditions of Corporate Governance

## CERTIFICATE ON CORPORATE GOVERNANCE

### To the Members of

### Thomas Cook (India) Limited

Corporate Identification Number: L63040MH1978PLC020717

Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai- 400 001.

We have examined the compliance with conditions of Corporate Governance by Thomas Cook (India) Limited ('the Company'), for the financial year ended on 31st March, 2017, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance with conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the SEBI Regulations during the financial year ended 31st March, 2017.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

### For Keyul M. Dedhia & Associates

### Company Secretaries

### Keyul M. Dedhia

### Proprietor

FCS No: 7756

COP No: 8618

May 25, 2017, Mumbai



## CEO/CFO Certification

### pursuant to Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Board of Directors  
Thomas Cook (India) Limited  
Thomas Cook Building  
Dr. D. N. Road, Fort,  
Mumbai – 400 001

This is to certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated, wherever applicable, to the Auditors and Audit Committee:
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Thomas Cook (India) Limited**

**MAHESH IYER**  
Chief Executive Officer

Place: Mumbai  
Dated: 25th May, 2017

**For Thomas Cook (India) Limited**

**DEBASIS NANDY**  
Chief Financial Officer & President-Commercial

Place: Mumbai  
Dated: 25th May, 2017

#### Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's code of conduct

This is to confirm that all the Members of the Board and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March, 2017.

For Thomas Cook (India) Limited

**MADHAVAN MENON**  
*Chairman & Managing Director*  
(DIN: 00008542)

Place: Mumbai  
Dated: 25th May, 2017

# Business Responsibility Report

## Section A: General Information about the Company

Sr. No	Particulars	Company Information															
1.	Corporate Identification Number (CIN) of the Company	L63040MH1978PLC020717															
2.	Name of the Company	Thomas Cook (India) Limited															
3.	Registered Office & Corporate Office	Reg off: Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001 Corp off: A Wing, Marathon FutureX, N.M. Joshi Marg, Lower Parel, Mumbai 400 013															
4.	Website	<a href="http://www.thomascook.in">www.thomascook.in</a>															
5.	E-mail ID	sharedept@in.thomascook.com															
6.	Financial year reported	1st April, 2016 – 31st March, 2017															
7.	Sector(s) that the Company is engaged in (industrial activity code-wise) as per the National Industrial Classification codes of 2008	<table><tr><th rowspan="2">Description</th><th colspan="3">Industrial Activity Code</th></tr><tr><th>Group</th><th>Class</th><th>Sub-class</th></tr><tr><td>Travel &amp; Related Services</td><td>522</td><td>5229</td><td>52291</td></tr><tr><td>Financial Services</td><td>649</td><td>6499</td><td>64990</td></tr></table>	Description	Industrial Activity Code			Group	Class	Sub-class	Travel & Related Services	522	5229	52291	Financial Services	649	6499	64990
Description	Industrial Activity Code																
	Group	Class	Sub-class														
Travel & Related Services	522	5229	52291														
Financial Services	649	6499	64990														
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Travel & Related Services & Financial Services															
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5)  (b) Number of National Locations	a. Thomas Cook (India) Limited along with its subsidiaries carries out the business activity from various locations including Mauritius, Srilanka, Nepal, France, Bhutan, Germany, Italy, Portugal, Hungary, Finland, U.K., Brazil, Ukraine, Russia, Australia, China, Japan, USA, Spain and is supported by a strong partner network of 96 Gold Circle Partners and 81 General & Preferred Sales Agents in 130 cities in various countries such as UAE, Oman, USA, U.K, Nepal, Sri Lanka, Kenya, Nigeria, Saudi Arabia, Tanzania, Australia, Kuwait, Bahrain, Qatar & Canada.  b. The Company has presence in over 165 locations in India. The detailed list of branches of the Company forms part of the Annual Report.															
10.	Markets served by the Company	Thomas Cook (India) Limited serves customers in national and international locations.															

## Section B: Financial Details of the Company

Sr. No	Particulars	Company Information
1.	Paid up Equity Share Capital as on 31st March, 2017	₹ 366.8 mn
2.	Total Turnover	₹ 17388.1 mn
3.	Profit/ (Loss) after Tax	₹ (83.6) mn
4.	Total amount spent on Corporate Social Responsibility (CSR) a) in Rupees b) As a percentage of profit after tax (%)	<p>a. ₹ 9.9 mn</p> <p>b. N.A.</p>
5.	List the activities, in which expenditure in 4 above, has been incurred	<p>a. Education and Employability</p> <p>b. Promoting health care including preventive health care</p> <p>c. Sanitation</p> <p>d. Empowering women</p>

## Section C: Other Details

- Does the Company have any Subsidiary Company/ Companies?
  - Yes, the details of the list of subsidiaries can be found in Annexure 4 of the Directors Report of the Company and forms part of the Annual Report.
- Do the Subsidiary Company/Companies participate in the Business Responsibility ("BR") Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies)
  - Yes, two subsidiary companies participate in the BR initiatives of the parent company.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
  - No

**Section D: Business Responsibility (BR) Information****1. Details of Director/Directors responsible for BR**

- a. Details of the Director/Directors responsible for implementation of the BR policy/policies:

Sr. No	Particulars	Company Information
1.	DIN Number	00008542
2.	Name	Madhavan Menon
3.	Designation	Chairman & Managing Director

- b. Details of BR head :

Sr. No	Particulars	Company Information
1.	DIN Number (if applicable)	N.A
2.	Name	Mahesh Iyer
3.	Designation	Chief Executive Officer
4.	Telephone Number	+91-22-4242 7000
5.	E-mail ID	sharedept@in.thomascook.com

- c (a)
- Principle-wise (as per National Voluntary Guidelines (NVGs)) Business Responsibility Policy/policies**

The response regarding the 9 principles (P1 to P9) stated in section E is given below:

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for ....	Y	N	Y	N	Y	Y	N	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N	Y	N	Y	Y	N	Y	N
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Policies are prepared ensuring adherence to applicable rules, regulations and laws of national standards.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	N	Y	N	Y	Y	N	Y	N
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	N	Y	N	Y	Y	N	Y	N
6.	Indicate the link for the policy to be viewed online?	#	#	#	#	#	#	#	#	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	N	Y	N	Y	Y	N	Y	N
8.	Does the Company have in-house structure to implement the policy/policies?	Y	N	Y	N	Y	Y	N	Y	N
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	N	Y	N	Y	Y	N	Y	N
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	N	Y	N	Y	Y	N	Y	N

# The policies that need to be mandatorily uploaded on the website of the Company are available at [http://www.thomascook.in/pages/indus/tportal/Speeches\\_Presentations.html](http://www.thomascook.in/pages/indus/tportal/Speeches_Presentations.html)

## 2 (b). If answer to No. 1, against any principle is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	Note	-	Note	-	-	Note	-	Note
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-		-		-	-		-	
3	The Company does not have financial or manpower resources available, for the task	-		-		-	-		-	
4	It is planned to be done within next 6 months	-		-		-	-		-	
5	It is planned to be done within the next 1 year	-		-		-	-		-	
6	Any other reason (please specify)	-		-		-	-		-	

**Note-** The aspects outlined for Principle 2, Principle 4, Principle 7 and Principle 9 are not relevant to the Company given the nature of business and industry in which it operates. Further, the impact of the Company's operations on the environment is negligible. The Company does make necessary suggestions as and when required for envisaging and supporting environmental causes and social welfare. Further, the Company always strives to have a cordial relationship with its customers and other stakeholders.

## d. Governance related to Business Responsibility (BR):

Information with reference to BR framework:

Sr. No.	Particulars	Company Information
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company	Annually
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Business Responsibility Report forms part of the Annual Report. The Company's Business Responsibility Report for the financial year 2016-17 is available on <a href="http://www.thomascook.in/pages/indus/tcportal/Annual Reports.html">http://www.thomascook.in/pages/indus/tcportal/Annual Reports.html</a> It is published Annually.

## Section E: Principle – wise Performance

**Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability**

Information with reference to BR framework:

Sr. No.	Questions	Information
1.1	Name of the policy/policies governing the principle	Values that Work... at Work Policy
1.2	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	No. Thomas Cook (India) Limited Business Ethics and Integrity policies which form part of Values that Work...at Work Policy apply to all employees of the Company including those of its subsidiaries in India and abroad, also its consultants, agents, distributors and independent contractors representing the Company.
1.3	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	In relation to policies governing this principle, there was no complaint received in the Financial Year 2016-17.

**Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

Information with reference to BR framework:

Sr. No.	Questions	Information
2.1	Name of the policy/policies governing the principle	The Company given its nature of business and industry in which it operates does not have a specific policy governing the principle.
2.2	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	<p>Following are examples of the Company's product / service features that incorporate the aspect of environmental conservation:</p> <ol style="list-style-type: none"> <li><b>Holiday Savings Account</b> The Company had launched this path-breaking product in 2015 which allows customers to break the cost of the holiday into 12 instalments and save for it every month via Recurring Deposit Account with a bank that the Company is associated with. The product has been very well received. The Company on receiving an encouraging response has also launched another variation of Holiday Saving account in November 2016 where a customer can open a Recurring Deposit Account and save for a holiday. This feature allows the customer to select from a bigger bouquet of packages. In the Financial year 2016- 17 the Company has added 7132 Recurring Deposits, with over 15000 customers who have booked a holiday to travel next year. This product has helped customers from every segment of the society to get benefits of the various holiday packages offered by the Company by saving a small portion of their earnings on a regular basis.  The Company is now associated with 6 banking partners for the said purpose which includes IndusInd Bank, ICICI Bank, State Bank of India, Kotak Mahindra Bank, Andhra Bank and Bank of Baroda with the last two being new additions this financial year.</li> <li><b>Centre of Learning</b> The primary objective of Centre of Learning is to proactively facilitate talent management and to grow, harness and nurture the skill sets required for the Tourism and Travel Industry. Centre of Learning serves as a guide and mentor to the travel industry via several forums, industry meets and associated education programs like: Certificate Course in World Tour Management, Certificate Course in Travel &amp; Tourism Management, IATA – Foundation/ Consultant Course, Travel Professional Program. Over 250 students are certified by the Centre for various programs every year.</li> <li><b>Travel Quest Quiz platform</b> Travel Quest the Study Tour vertical of the Company, has executed more than 100 study tours for almost 3000 students to destinations across the globe. Popular destinations have been USA, Europe, Singapore, Malaysia and China. Every Travel Quest itinerary is customized to match the desired learning outcome for the school or college and is a perfect blend of fun and education. Apart from just K12 institutions, Travel Quest has become a preferred partner of many higher Education institutions including Management Institutions, Architecture Colleges and Engineering Colleges. Some of the educational institutions that have embarked on Travel Quest experiential journeys include IIT-Delhi, IIM-Indore, Champion School, Hiranandani School, Unison World School, Oak Ridge High Chain of institutions, Heritage School, Sai International School, Delhi Public School(s), Raj Kumar College &amp; St. Joseph College of Commerce.</li> </ol>
2.3	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a)Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The Company being into Travel and Tourism Industry, is mainly service oriented. Hence this is not applicable to the Company.
2.4	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Given the nature of Industry, impact of the Company's operations on the environment is negligible. In the process of selecting a business plans/ services required, vendors are first evaluated through a set of prequalification criteria. Qualification criteria includes the responsibility of business towards the society and environment.



2.5	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company engages with both local and global service providers. Service selection is driven by open, transparent and non-discriminatory procurement principle. The Company depending on the need and necessity engages various service providers with preference to local vendors in several areas such as office catering, local transportation, suppliers etc.
2.6	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5%-10%, >10%) ? Also, provide details thereof, in about 50 words or so.	This is not applicable to the Company considering that it operates in service industry, further Company disposes of the waste generated at its offices as per the waste disposal norms.

**Principle 3: Business should promote the wellbeing of all employees.**

Information with reference to BR framework:

Sr. No.	Questions	Information
3.1	Name of the policy/policies governing the principle	Values that Work... at Work Policy and Policy for Respect At Work
3.2	Please indicate the Total number of employees.	2478
3.3	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	193
3.4	Please indicate the Number of permanent women employees.	576
3.5	Please indicate the Number of permanent employees with disabilities	4
3.6	Do you have an employee association that is recognised by management?	Yes, the Company has one Union.
3.7	What percentage of your permanent employees is members of this recognised employee association?	0.0018%
3.8	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	The Company received 5 complaints under the Prevention of Sexual Harassment Policy which forms part of Policy for Respect At Work and it has satisfactorily resolved all the complaints received during the year. Apart from this, no complaint was received relating to child labour, forced labour and involuntary labour during the year under review.
3.9	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year? a) Permanent Employees b) Permanent Women Employees c) Causal/ Temporary/ Contractual Employees d) Employees with Disabilities	100% of the Company's employees including employees of both genders, contractual employees and any employees with disabilities have been given safety and skill upgradation training. This excludes employees who would have been on long duration leave.

**Principle 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

Information with reference to BR framework:

Sr. No.	Questions	Information
4.1	Name of the policy/policies governing the principle	The Company given its nature of business and industry in which it operates does not have a specific policy governing the principle.
4.2	Has the Company mapped its internal and external stakeholders? Yes/No	Yes, the Company has mapped its internal and external stakeholders.
4.3	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?	Yes, the Company has identified disadvantaged, vulnerable & marginalised stakeholders
4.4	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.	The Company engages with each of its stakeholders through a variety of forums, including employee engagement initiatives, training programs, feedback process and customer satisfaction surveys.

**Principle 5: Businesses should respect and promote human rights.**

Information with reference to BR framework:

Sr. No.	Questions	Information
5.1	Name of the policy/policies governing the principle	Values that Work...at Work Policy
5.2	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?	The Company's Values that Work...at Work Policy covers the guidelines on Human Rights and is applicable to all permanent employees and subsidiaries of Thomas Cook group. Employees have been provided many avenues to speak up fearlessly and to report any violations of the Code, or share their concerns confidentially through various modes as per the Code of Conduct.
5.3	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	One complaint was received and it was satisfactorily resolved.

**Principle 6: Business should respect, protect, and make efforts to restore the environment.**

Information with reference to BR framework:

Sr. No.	Questions	Information
6.1	Name of the policy/policies governing the principle	Values that Work...at Work Policy and Corporate Social Responsibility Policy
6.2	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others.	The Company's Values that Work...at Work Policy extends to all the employees of the organisation including the subsidiaries.
6.3	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	The Company is committed to conduct its business in a sustainable manner however, being into Travel and Tourism industry, it is mainly service oriented and hence doesn't cause any environmental damage through its operations.  With a view to positively contribute to the environment the Company supports certain initiatives such as the Go Green initiative of the Ministry of Corporate Affairs', whereby the Company makes provision for electronic communication of the Annual Reports and other documents to the shareholders. The Company also maintains most of the records in digital mode/electronic mode with the motive of saving paper.  Further as a CSR initiative the Company has also installed prefabricated toilet unit at Kandhal Road, Ooty and thus has contributed in a small way towards addressing environmental hazards.
6.4	Does the Company identify and assess potential environmental risks? Y/N	The Company being into Travel and Tourism industry, is mainly service oriented and hence doesn't directly impact the environment in any way.
6.5	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	
6.6	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc ? Y/N. If yes, please give hyperlink for web page etc.	
6.7	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	
6.8	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	

**Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

Information with reference to BR framework:

Sr. No.	Questions	Information
7.1	Name of the policy/policies governing the principle	The Company given its nature of business and industry in which it operates does not have a specific policy governing the principle.

7.2	Is your Company a member of any trade and chamber or association?  If Yes, Name only those major ones that your business deals with.	Yes.  The Company is a member of certain key Indian and Global Industry Associations. Some of these are mentioned below: a. Bombay Chamber of Commerce b. Pacific Asia Travel Association c. International Air Transport Association
7.3	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;  If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, the Company makes necessary suggestions as and when required for envisaging and supporting environmental causes and social welfare.

**Principle 8: Businesses should support inclusive growth and equitable development.**

Information with reference to BR framework:

Sr. No.	Questions	Information
8.1	Name of the policy/policies governing the principle	Corporate Social Responsibility Policy
8.2	Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	<p>Pursuant to the introduction of Corporate Social Responsibility (CSR) requirement as set out in Section 135 of the Companies Act, 2013, the Company has formulated a CSR policy covering different social needs such as Promoting Health Care including Preventive Health Care, Education, Sanitation and Women Empowerment.</p> <p>The Company during the Financial Year 2016-17 has worked extensively for various CSR initiatives. Some of the initiatives and projects undertaken by the Company during the year are as follows:</p> <p><b>1) Project Dialysis</b></p> <p>Through the project dialysis, the Company has funded and installed 26 dialysis machines across 6 centres located in the remote areas of various states such as Tamil Nadu, Uttar Pradesh, Andhra Pradesh and Meghalaya. The dialysis machines installed under this project had already completed over 1300 dialysis sessions and have the potential to save the lives of numerous people as each machine can do approximately 900 dialysis sessions per year.</p> <p>This project has effectively reduced the cost per session to between 40-80% Vs. current rates and where state insurance covers dialysis, it is free of cost to patients thereby extending their insurance to cover more sessions.</p> <p><b>2) Support to NGO 'Masoom'</b></p> <p>The Company supported educational expenses of 19 girls of Gyan Bharti Night School, Chembur, Mumbai, through NGO 'Masoom'.</p> <p>Further the Company has also funded the MS-CIT course in association with Aakar Computer Institute through which it has provided tailoring accessories to various girl students.</p> <p><b>3) Project 'Nanhi Kali'</b></p> <p>The Company supported educational expenses of 67 girls from Classes 1 to 4 of a municipal primary school in Nashik, through NGO Project 'Nanhi Kali'.</p> <p><b>4) Contribution to Swachh Bharat Abhiyan</b></p> <p>The Company has installed prefabricated toilet unit at Kandhal Road, Ooty (in line with Swachh Bharat Abhiyan).</p> <p><b>5) Support to NGO Save the Children</b></p> <p>The Company participated actively in organising Health and Hygiene camps in association with NGO Save the Children, in 3 schools of Mahad Taluka where 310 hygiene kits were distributed and Aquaguard water purifiers were installed in the 3 schools.</p> <p>Further the detailed explanation on the Corporate Social Responsibility initiatives undertaken by the Company during the year is given in Annexure 2 of the Directors Report and forms part of the Annual Report of the Company.</p>

8.3	Are the programs/projects undertaken through in-house team/own foundation/ external NGO/government structures/ any other organisation?	The Company along with its two wholly owned subsidiary companies namely Travel Corporation (India) Limited and SOTC Travel Services (India) Private Limited (Formerly known as Kuoni Travel (India) Private Limited) and Fairbridge Capital Private Limited, Holding Company have established a Fairfax India Charitable Foundation Trust to undertake programs and projects under the Corporate Social Responsibility initiative. The projects/programmes are undertaken with the assistance of implementation partners as required.
8.4	Have you done any impact assessment of your initiative?	<p>Yes, the Company on timely basis undertakes necessary assessment of the various CSR projects and initiatives implemented by the Company during the year.</p> <p>Following are some of the results of the impact assessment conducted by the Company for the financial year 2016-17:</p> <p><b>1) Project Dialysis</b></p> <p>Through the project dialysis, the Company has funded and installed 26 dialysis machines across 6 centres located in the remote areas of various states such as Tamil Nadu, Uttar Pradesh, Andhra Pradesh and Meghalaya. The dialysis machines installed under this project had already completed over 1300 dialysis sessions and have the potential to save the lives of numerous people as each machine can do approximately 900 dialysis sessions per year.</p> <p><b>2) Support to girl education</b></p> <p>The Company by supporting various NGO's such as NGO 'Masoom' and Project 'Nanhi Kali' has positively contributed to the cause of girl education and women empowerment. The Company has supported the education of around 85 girls by paying their educational expenses and supporting them in learning skilled courses like tailoring.</p> <p><b>3) Swachh Bharat Abhiyan</b></p> <p>The Company by installing prefabricated toilet unit at Kandhal Road, Ooty has contributed in a small way to the Swachh Bharat Abhiyan.</p>
8.5	What is your Company's direct contribution to community development projects (Amount in ₹ and the details of the projects undertaken)?	The Company has spent ₹ 9.9 million in financial year 2016-17 on Corporate Social Responsibility related activities. The expenditure has been undertaken primarily on Promoting Health Care including Preventive Health Care, Sanitation, Education and Employability and Women Empowerment.
8.6	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	<p>Further the detailed explanation on the amount spent by the Company on Corporate Social Responsibility initiatives undertaken during the year is given in Annexure 2 of the Directors Report and forms part of the Annual Report of the Company.</p> <p>The steps taken by the Company to ensure that the various CSR initiatives implemented by the Company are successfully adopted by the Community are as follows:</p> <p><b>1) Hygiene and Sanitation</b></p> <p>The Company has emphasised on the importance of hygiene amongst the people and has also educated them on the health hazards associated with unhygienic surroundings. The Company has installed prefabricated toilet unit at Kandhal Road, Ooty in Karnataka in order to facilitate hygiene and sanitation amongst the community.</p> <p><b>2) Support to girl education</b></p> <p>The Company has promoted the importance of girl education in the community by explaining to the public the value of education and empowerment it instils in the life of an individual. This idea promoted by the Company has encouraged parents of many girls to send them to schools and further spread the message amongst the community. In order to set an example the Company has supported education of around 85 girls by paying their educational expenses and supporting them in learning skilled courses like tailoring through various NGO projects.</p> <p><b>3) Health Care including Preventive Health Care</b></p> <p>The Company has funded and installed 26 dialysis machines across 6 centres located in the remote areas of various states such as Tamil Nadu, Uttar Pradesh, Andhra Pradesh and Meghalaya. The dialysis machines installed under this project had already completed over 1300 dialysis sessions and have the potential to save the lives of numerous people as each machine can do approximately 900 dialysis sessions per year.</p> <p>This project has effectively reduced the cost per session to between 40-80% Vs. current rates and where state insurance covers dialysis, it is free of cost to patients thereby extending their insurance to cover more sessions.</p>

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

Information with reference to BR framework:

Sr. No.	Questions	Information
9.1	Name of the policy/policies governing the principle	The Company given its nature of business and industry in which it operates does not have a specific policy governing the principle.
9.2	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	a. Out of the total customer complaints received during the period from 1st April, 2016 to 31st March, 2017, no complaints were pending as on 31st March, 2017. b. 88.13% Consumer Cases are pending for the period 1st April 2016 to 31st March 2017.
9.3	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	The Company provides manuals and brochures in relation to the various packages and services offered by the Company. There are no legal mandatory requirements to imprint the product information for the Company's products.
9.4	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	The Company being in Travel and Tourism Industry is mainly service oriented. In the ordinary course of tourism business, several customers and vendors may have service related issues which could result in them filing a suit or a consumer complaint alleging deficiency of services. The Company always strives to have a cordial relationship with its customers and other stakeholders and attempts to have an amicable settlement of the dispute or best possible solution of service related issues.
9.5	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Yes, the Company has carried out the below mentioned consumer surveys: <b>Net Promoter Score (NPS) :</b> Pre -Tour Survey : The Company with an intention to measure its service level, sends a survey form to the clients two days prior to their travel with a set of questions which they have to rate. Any feedback below 6 is highlighted to the Business & Service Quality Department for further action. <b>Customer Satisfaction (CSAT) :</b> The Company with an intention to measure Service Quality performance, has introduced CSAT. Through this survey, a form is sent to all clients in continuation of closure emails, to rate the services / assistance provided by the Service Quality representatives of the Company.

**FOR AND ON BEHALF OF THE BOARD**

**Madhavan Menon**  
Chairman & Managing Director  
(DIN: 00008542)

Place: Mumbai  
Dated: 25th May, 2017

# Independent Auditors' Report

## TO THE MEMBERS OF THOMAS COOK (INDIA) LIMITED

### Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of **Thomas Cook (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies

used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2016 and fifteen months ended March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 28, 2016 and a modified opinion dated May 28, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 25;
  - ii. The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017;
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 28.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

Sharmila A. Karve  
Partner  
Membership Number 043229

Mumbai  
May 25, 2017

# Annexure A to the Independent Auditors' Report

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Thomas Cook (India) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

Mumbai  
May 25, 2017

Sharmila A. Karve  
Partner  
Membership Number 043229

## Annexure B to the Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Thomas Cook (India) Limited on the standalone financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, service tax, profession tax, labour welfare fund though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	I n c o m e Tax	492.56	AY 2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	I n c o m e Tax	0.86	AY 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	I n c o m e Tax	51.29	AY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	I n c o m e Tax	17.98	AY 2013-14	Commissioner of Income Tax (Appeals)
Service Tax Rules, 1994	S e r v i c e Tax	252.12	F i n a n c i a l Years 2003 to 2010	Various Levels from Assistant Commissioner to CESTAT

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

Mumbai  
May 25, 2017

Sharmila A. Karve  
Partner  
Membership Number 043229

# Balance Sheet as at 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	16,700.0	16,999.3	4,843.8
Capital work-in-progress	3	102.1	44.6	32.8
Goodwill	4	446.3	446.3	446.3
Other intangible Assets	4	667.9	867.6	926.2
Intangible assets under development		475.1	252.2	83.5
Investment in equity instruments	5	*	*	*
Investment in subsidiaries	5	122,757.5	122,385.3	103,510.6
Financial assets				
- Investments	5	9.6	9.6	9.6
- Other financial assets	6(e)	2,265.8	5,208.9	3,616.0
Other non-current assets	7	472.3	499.7	1,577.0
Non Current Tax assets	9	1,984.3	938.6	-
Deferred tax assets (net)	16	332.7	335.5	451.0
<b>Total non-current assets</b>		<b>146,213.6</b>	<b>147,987.6</b>	<b>115,496.8</b>
<b>Current assets</b>				
Financial assets				
- Investments	6(a)	-	-	12,506.4
- Trade receivables	6(b)	21,915.7	18,930.8	21,610.3
- Cash and cash equivalents	6(c)	43,378.1	50,545.2	13,174.2
- Bank balances other than cash and cash equivalents	6(d)	1,279.9	122.8	3,306.9
- Other financial assets	6(e)	6,480.4	4,647.7	6,878.2
Other current assets	8	8,279.3	8,792.8	12,105.5
<b>Total current assets</b>		<b>81,333.4</b>	<b>83,039.3</b>	<b>69,581.5</b>
<b>TOTAL ASSETS</b>		<b>227,547.0</b>	<b>231,026.9</b>	<b>185,078.3</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	10(a)	3,667.6	3,658.8	3,213.9
Preference share capital	10(a)	-	-	442.3
Other equity				
Share application money pending allotment		15.6	59.8	23.7
Reserve and surplus	10(b)	112,304.7	113,141.2	112,692.0
<b>Total Equity</b>		<b>115,987.9</b>	<b>116,859.8</b>	<b>116,371.9</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
- Borrowings	11(a)	26,073.8	29,324.7	10,088.8
- Other financial liabilities	11(c)	165.2	256.5	-
Provisions	14	106.1	140.0	1,005.9
Employee Benefit Obligations	15	344.9	106.9	126.1
Other non-current liabilities	12	73.6	66.6	85.5
<b>Total non-current liabilities</b>		<b>26,763.6</b>	<b>29,894.7</b>	<b>11,306.3</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	11(b)	5,832.6	2,100.5	5,030.1
- Trade payables	11(d)	44,407.7	53,951.1	22,847.4
- Other financial liabilities	11(c)	9,148.0	8,975.7	4,729.9
Provisions	14	38.3	890.7	527.3
Employee Benefit Payable	15	1,059.9	975.3	2,548.8
Current Tax Liabilities	9	-	-	508.3
Other current liabilities	13	24,309.0	17,379.1	21,208.3
<b>Total current liabilities</b>		<b>84,795.5</b>	<b>84,272.4</b>	<b>57,400.1</b>
<b>TOTAL LIABILITIES</b>		<b>111,559.1</b>	<b>114,167.1</b>	<b>68,706.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>227,547.0</b>	<b>231,026.9</b>	<b>185,078.3</b>

\* Amount is below the rounding off norm adopted by the Company.

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Sharmila A Karve**  
Partner  
Membership No. 043229

For and on behalf of the Board of Directors

**Madhavan Menon**  
Chairman and Managing Director  
DIN No : 00008542

**Debasis Nandy**  
Chief Financial Officer &  
President - Commercial

**Amit Parekh**  
Company Secretary  
& Compliance Officer

Mumbai, May 25, 2017

Mumbai, May 25, 2017

## Statement of Profit And Loss for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Income</b>			
Revenue from operations	17	171,423.9	172,351.1
Other income	18(a)	2,285.1	2,965.2
Other gains (net)	18(b)	171.7	73.6
<b>Total income</b>		<b>173,880.7</b>	<b>175,389.9</b>
<b>Expenses</b>			
Cost of services		127,973.7	128,828.6
Employee benefits expense	19	17,691.7	17,968.0
Finance Cost	22	5,386.2	4,428.8
Advertisement Expenses		4,347.7	3,859.6
Depreciation and amortisation expense	20	1,762.3	1,735.5
Other expenses	21	17,262.4	17,836.2
<b>Total expenses</b>		<b>174,424.0</b>	<b>174,656.7</b>
<b>(Loss)/Profit before tax</b>		<b>(543.3)</b>	<b>733.2</b>
Less : Tax expense			
Current tax	23	216.9	72.1
Deferred tax	23	75.7	122.5
<b>Total tax expenses</b>		<b>292.6</b>	<b>194.6</b>
<b>(Loss)/Profit for the year (A)</b>		<b>(835.9)</b>	<b>538.6</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		(210.8)	(20.3)
Income tax relating to items that will not be reclassified to profit or loss		72.9	7.0
<b>Total other comprehensive income for the year, net of taxes (B)</b>		<b>(137.9)</b>	<b>(13.3)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>(973.8)</b>	<b>525.3</b>
<b>Earnings/(Loss) per equity share ( Face value of INR 1 each)</b>	34		
- Basic earnings/(loss) per share		(0.23)	0.17
- Diluted earnings/(loss) per share		(0.23)	0.16
The above statement of profit and loss should be read in conjunction with the accompanying notes.			

As per our report of even date

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Sharmila A Karve**  
Partner  
Membership No. 043229

For and on behalf of the Board of Directors

**Madhavan Menon**  
Chairman and Managing Director  
DIN No : 00008542

**Amit Parekh**  
Company Secretary  
& Compliance Officer

**Debasis Nandy**  
Chief Financial Officer &  
President - Commercial

Mumbai, May 25, 2017

Mumbai, May 25, 2017

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**STATEMENT OF CHANGES IN EQUITY**

(A) Share capital						Equity share		Preference share		
Particulars						Amount		Amount		
Balance as at 1 April 2015						3,213.9		442.3		
changes in share capital during the year						444.9		(442.3)		
Balance as at 31 March 2016						3,658.8		-		
changes in share capital during the year						8.8		-		
Balance as at 31 March 2017						3,667.6		-		
(B) Other Equity		Share application money pending allotment	Reserves and Surplus							
Particulars			Capital Reserve	Capital Redemption Reserve (CRR)	Debenture Redemption Reserve (DRR)	Share option Outstanding Account	Securities Premium Account	General Reserve	Retained Earnings	Total Reserves and Surplus
Balance as at 1 April 2015		23.7	7.8	-	1,305.6	1,291.3	85,507.0	3,536.4	21,044.1	112,692.2
Profit for the year		-	-	-	-	-	-	-	538.6	538.6
Other Comprehensive Income, net of tax		-	-	-	-	-	-	-	(13.3)	(13.3)
Transaction with owners in their capacity as owners										
Share Application Money received pending allotment, net of issue of equity shares		36.1	-	-	-	-	-	-	-	-
Transfer from Retained Earnings		-	-	595.2	1,033.6	-	-	-	-	1,628.8
Transfer to DRR		-	-	-	-	-	-	-	(1,033.6)	(1,033.6)
Transfer to CRR		-	-	-	-	-	-	-	(595.2)	(595.2)
Employee Stock Option Expense/push down		-	-	-	-	1,442.6	-	-	-	1,442.6
Transfer to securities premium account		-	-	-	-	(45.1)	45.1	-	-	-
Share issue expenses		-	-	-	-	-	(120.3)	-	-	(120.3)
Addition on account of ESOP issues		-	-	-	-	-	119.0	-	-	119.0
Dividend for the Previous Period paid during the year		-	-	-	-	-	-	-	(1,364.1)	(1,364.1)
Corporate Dividend Tax for the Previous year paid during the year		-	-	-	-	-	-	-	(153.5)	(153.5)
Balance as at 31 March 2016		59.8	7.8	595.2	2,339.2	2,688.8	85,550.8	3,536.4	18,423.0	113,141.2
Profit for the year		-	-	-	-	-	-	-	(835.9)	(835.9)
Other Comprehensive Income, net of tax		-	-	-	-	-	-	-	(137.9)	(137.9)
Transaction with owners in their capacity as owners										
Share Application Money received pending allotment, net of issue of equity shares		(44.2)	-	-	-	-	-	-	-	-
Transfer From Retained Earnings		-	-	1,785.7	1,027.8	-	-	-	-	2,813.5
Transfer to CRR		-	-	-	-	-	-	-	(1,785.7)	(1,785.7)
Transfer to DRR		-	-	-	-	-	-	-	(1,027.8)	(1,027.8)
Employee Stock Option Expense/push down		-	-	-	-	1,089.9	-	-	-	1,089.9
Transfer to securities premium account		-	-	-	-	(326.3)	326.3	-	-	-
Addition on account of ESOP issues		-	-	-	-	-	701.5	-	-	701.5
Transfer to General Reserve		-	-	-	(833.3)	-	-	833.3	-	-
Dividend for the Previous Period paid during the year		-	-	-	-	-	-	-	(1,374.3)	(1,374.3)
Corporate Dividend Tax for the Previous year paid during the year		-	-	-	-	-	-	-	(279.8)	(279.8)
Balance as at 31 March 2017		15.6	7.8	2,380.9	2,533.7	3,452.4	86,578.6	4,369.7	12,981.6	112,304.7
Balance as at 31 March 2017		15.6	7.8	2,381.0	2,533.6	3,452.2	86,578.6	4,369.7	12,981.9	112,304.7



## Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

As per our report of even date

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Sharmila A Karve**  
Partner  
Membership No. 043229

Mumbai, May 25, 2017

For and on behalf of the Board of Directors

**Madhavan Menon**  
Chairman and Managing Director  
DIN No : 00008542

**Amit Parekh**  
Company Secretary  
& Compliance Officer

Mumbai, May 25, 2017

**Debasis Nandy**  
Chief Financial Officer &  
President - Commercial

# Statement of Cash Flows

for the year ended March 31, 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A) Cash flow from operating activities</b>			
<b>Profit before income tax</b>		(543.3)	733.2
<i>Adjustments for</i>			
Interest Income	<b>18(a)</b>	(744.9)	(472.1)
Dividend Income from Investments	<b>18(a)</b>	(322.6)	(1,300.3)
Expenses on Employees Stock Options Schemes (Net)	<b>19</b>	778.8	1,223.6
Depreciation and Amortisation	<b>20</b>	1,762.3	1,735.5
Profit on sale of Fixed Assets (Net)	<b>18(b)</b>	(171.7)	(73.6)
Finance Costs	<b>22</b>	5,386.2	4,428.8
Provision for doubtful debts and Advances (net off bad debts written off)	<b>21</b>	899.1	666.3
<b>Operating Profit before Working Capital changes</b>		7,043.9	6,941.4
<b>Change in operating assets and liabilities</b>			
Increase/(Decrease) in Trade Payables		(9,605.1)	31,113.6
Increase/(Decrease) in Provisions		(886.2)	(502.6)
Increase/(Decrease) in Other financial Liabilities		600.5	131.5
Increase/(Decrease) in Other Liabilities		6,936.9	(3,848.1)
Increase/(Decrease) in Employee Benefit Obligations		111.7	(1,612.9)
(Increase)/ Decrease in Trade Receivables		(3,884.0)	2,242.6
(Increase)/Decrease in Other Financial Assets		1,110.0	408.2
(Increase)/Decrease in Other Assets		573.7	3,368.3
<b>Cash generated from operations</b>		2,001.4	38,242.0
Income taxes paid (Net of Refunds Received)		(1,262.6)	(1,519.0)
<b>Net cash inflow from operating activities</b>		738.8	36,723.0
<b>B) Cash flow from investing activities:</b>			
Proceeds from sale of Fixed Assets		348.9	142.2
Purchase of Fixed Assets		(1,952.5)	(12,834.8)
Interest Received		744.9	508.7
Dividend received on Subsidiary Company		72.7	685.9
Dividend received from Mutual funds		249.9	614.4
Investment in Subsidiary		1.0	(18,665.3)
Proceeds from sale of Current Investments (net of Purchases)		-	12,506.4
Investments/(Proceeds) in Fixed Deposits with banks		(1,157.1)	3,147.5
<b>Net cash outflow from investing activities</b>		(1,692.2)	(13,895.0)
<b>C) Cash flow from financing activities</b>			
Proceeds from Issue of Equity Shares under Employees Stock Options Schemes		666.1	157.7
Share Issue expenses paid		-	(120.3)
Proceeds from Issue of 8.50% Non Convertible Cumulative Redeemable Preference Shares		-	12,500.0

# Statement of Cash Flows

for the year ended March 31, 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Proceeds / Repayment from Issue of Non Convertible Debentures		(3,308.4)	9,959.2
Proceeds from Finance Lease Liability (Net)		89.8	110.3
Dividend Paid during the year		(1,374.3)	(1,364.1)
Tax on Dividend Paid during the year		(279.8)	(153.5)
Loan given to subsidiary company		-	(2,650.0)
Loan repayment by subsidiary company		-	2,650.0
Finance Costs paid		(5,739.2)	(3,616.7)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(9,945.8)</b>	<b>17,472.6</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(10,899.2)</b>	<b>40,300.6</b>
Add: Cash and cash equivalents at the beginning of the financial year		48,444.7	8,144.1
<b>Cash and cash equivalents at the end of the year</b>		<b>37,545.5</b>	<b>48,444.7</b>
<i>Reconciliation of Cash and cash equivalents as per the cash flow statement</i>		<b>31 March 2017</b>	<b>31 March 2016</b>
<b>Cash and cash equivalents as per above comprises of the following</b>			
Cash and cash equivalents		43,378.1	50,545.2
Bank Overdrafts		(5,832.6)	(2,100.5)
<b>Balances as per statement of cash flows</b>		<b>37,545.5</b>	<b>48,444.7</b>

## Notes:-

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS-7) on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- Additions to property, plant and equipment and other intangible assets include movement of capital work in progress, payables for fixed assets and capital advances during the year.

The above statement of cash flows should be read in conjunction with the accompanying notes

As per our report of even date

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Sharmila A Karve**  
Partner  
Membership No. 043229

Mumbai, May 25, 2017

For and on behalf of the Board of Directors

**Madhavan Menon**  
Chairman and Managing Director  
DIN No : 00008542

**Amit Parekh**  
Company Secretary  
& Compliance Officer

Mumbai, May 25, 2017

**Debasis Nandy**  
Chief Financial Officer &  
President - Commercial

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Background:

Thomas Cook (India) Limited (the "Company") is a Public Limited Company listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in diversified travel and travel related businesses, working as Travel Agent and Tour Operator. The Company is also engaged as an Authorised Foreign Exchange Dealer.

## 1. Significant Accounting Policies

### 1.1 Basis of Preparation

#### i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 that are notified and effective as at 31st March, 2017.

These financial statements for the year ended 31st March, 2017 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the generally accepted accounting principles (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2016 and the opening Balance Sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016, April 1, 2015 and of the Statement of Comprehensive Income and Statement of Cash Flows for the year ended March 31, 2016 as provided in note 33.

#### ii) Historical cost convention:

Standalone Financial Statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value,
- defined benefit plans - plan assets measured at fair value, and
- share based payment

### 1.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors, the chief executive officer and the chief financial officer have been identified as being the chief operating decision maker. Refer note 36 for segment information presented.

### 1.3 Foreign currency translation and transactions

#### a) Functional and presentation currency

A Company's functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Presentation currency is the currency in which the financial statements are presented. These financial statements are presented in Indian Rupees (INR), which is Company's functional and presentation currency.

#### b) Transactions and balances

##### (i) Initial Recognition

On initial recognition, foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

##### (ii) Subsequent Recognition

As at the reporting date, non - monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

All monetary items denominated in foreign currency are restated at Foreign Exchange Dealers Association of India (FEDAI) rates and the exchange variations arising out of settlement / conversion at the FEDAI rates are recognised in the Statement of Profit and Loss.

Profit or loss on purchase and sale of foreign exchange by the Company in its capacity as Authorised Foreign Exchange Dealer are accounted as a part of the revenue.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## 1.4 Revenue Recognition

The entity provides travel products and services to leisure and corporate travellers in India and abroad. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties.

The entity recognises revenue when significant risk and rewards are transferred to the customer, the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the entity's activities as described below. The entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Income from the sale of airline tickets is recognized as an agent on the basis of net commission earned, at the time of issuance of tickets, as the Company does not assume any performance obligation post the confirmation of the issuance of an airline ticket to the customer. Performance linked bonuses from airlines are recognized as and when the performance obligations under the schemes are achieved.

Revenue on holiday packages is recognised on proportionate basis considering the actual number of days completed as at the year end to the total number of days for each tour.

Income from tours and packages, excluding income on airline tickets sold to customers as a part of tours and packages is accounted on gross basis as the Company is determined to be the primary obligor in the arrangement i.e., the risks and responsibilities are taken by the Company including the responsibility for delivery of services.

The income arising from the buying and selling of foreign currencies is included on the basis of net margins earned. Revenue on foreign exchange transactions are recognised at the time of purchase and sale.

## 1.5 Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax for the period comprises of current tax and deferred tax. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other comprehensive income or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustments to tax payable in respect of previous years. Interest income/expenses and penalties, if any related to income tax are included in current tax expense.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised using the liability method on taxable temporary differences between the tax base and the accounting base of items included in the Balance Sheet of the Company. Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the Balance Sheet date and are expected to apply when the related deferred income tax is realized or settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Certain temporary differences arising on initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not recognised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

## 1.6 Leases

### *As a lessee*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Lease arrangements of property, plant and equipments where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability pertaining to non - current portion is included in other long - term borrowings and the current portion is included in other financial liabilities. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## 1.7 Impairment of Assets

### a) Financial assets

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not otherwise consider, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. The entity considers evidence of impairment for receivables for each specific asset. All individually significant receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in statement of profit and loss and are reflected as an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through statement of profit and loss.

Impairment losses on investment carried at fair value through other comprehensive income are recognized by transferring the cumulative loss that has been recognized in other comprehensive income and presented in the fair value reserve in equity, to statement of profit and loss.

The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition costs, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in statement of profit and loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

### b) Non-Financial assets:

Goodwill that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Total impairment loss of a cash generating unit (CGU) is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the statement of profit and loss and is not reversed in the subsequent period.

## 1.8 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques/drafts on hand, remittances in transit, balances with bank held in current account, demand deposits with maturities of three months or less, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are repayable on demand and form an integral part of an entity's cash management, and are included as a component of cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## 1.9 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## 1.10 Financial instruments:

### (i) Financial assets

#### Initial recognition and measurement:

Financial assets are recognised when the entity becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value. Transaction costs are expensed in the Statement of Profit and Loss, except for financial instruments carried at amortised cost, where transaction costs are adjusted in the amortised cost of the asset.

#### Subsequent measurement:

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') on the basis of:

- (i) the entity's business model for managing the financial assets and



## Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

(ii) the contractual cash flow characteristics of the financial asset.

- (a) **Measured at amortised cost** : Financial assets which have contractual cash flows that are solely payments of principal and interest on the principal outstanding and is held within a business model with the objective of holding the assets to collect contractual cash flows, are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised in the Statement of Profit and Loss.
- (b) **Measured at fair value through other comprehensive income** : Financial assets which have contractual cash flows that are solely payments of principal and interest on the principal outstanding and is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, is measured at fair value through other comprehensive income. It is subsequently measured at fair value with unrealised gains or losses recognised in the other comprehensive income ('OCI'), except for interest income which is recognised as 'other income' in the Statement of Profit and Loss using the EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.
- (c) **Measured at fair value through profit or loss**: A financial asset not measured at either amortised cost or FVOCI, is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL. For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss when the company's right to receive payments is established.

### Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is disclosed in Note 1.7. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss. Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

### Derecognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset. On transfer of the financial asset, the Company evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### (ii) Financial liabilities

#### Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

#### Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### Derecognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Guarantee:

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of amount determined in accordance with Ind AS 37 and the amount initially recognized less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the differences of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

## Derivative financial instruments

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## 1.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 1.12 Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Losses arising from the retirement of, and gains or losses arising from disposal of assets which are carried at cost is recognised in the Statement of Profit and Loss.

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on a straight-line method over the estimated useful lives of the assets. The depreciation rates are prescribed in Schedule II to the Companies Act, 2013. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter or longer than that envisaged in the aforesaid Schedule, depreciation is provided at a higher or lower rate respectively, based on the management's estimate of the useful life/remaining life.

### Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### Depreciation methods, estimated useful lives and residual value:

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, as follows:

Assets	Useful Life
Computers	3 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Office Building	60 years
Vehicles under finance lease	4 years
Other vehicles	8 years
Plant and Machinery	15 years

Leasehold improvements are amortised over the period of the lease or useful life of the asset, whichever is lower.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## 1.13 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

### (i) Goodwill

Goodwill on acquisitions/merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or company's of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or company's of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

### (ii) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs those are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

### iii) Amortisation methods and periods:

Asset	Useful Life
Software (including software - internally generated / developed)	4 years.

Upon first-time adoption of Ind AS, the Company has elected to apply deemed cost exemption for all of its intangible assets as at the date of transition to Ind AS i.e. 1st April, 2015. Accordingly, the Company has continued with the carrying value under Previous GAAP for all of its intangible assets recognised in the financial statements as at the date of transition to Ind AS.

## 1.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in statement of profit and loss as finance costs.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## 1.15 Provisions and contingent liabilities

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Provisions are not recognised for future operating losses. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

expenditure require to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## 1.16 Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the right to receive dividend is established.

## 1.17 Employees Share-based Payments

Share-based compensation benefits are provided to employees via the following plans:

- a) Thomas Cook Employees Stock Option Plan -2007
- b) Thomas Cook Save As You Earn (SAYE) -2010
- c) Thomas Cook Employees Stock Option Plan -2013
- d) Sterling Holiday Resorts (India) Limited Employee Stock Options Scheme 2012 - ("SHRIL ESOS 2012")

The fair value of options granted under each plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

In respect of options granted to the employees of the subsidiary companies, the amount equal to the expense for the grant date fair value of the award is recognized as a debit to investment in subsidiary as a capital contribution and a credit to equity.

Replacement awards are treated as a modification of share based payment arrangement, and the fair value of the new equity instruments (measured at the date of the modification) are included in the measurement of the amount recognised for services received and recognized over the remaining vesting period of the options.

## 1.18 Employee Benefits

### (i) Long-term Employee Benefits

#### (a) Defined Contribution Plans

The Company has defined contribution plan for post-employment benefit in the form of Superannuation scheme. Contributions to Superannuation scheme are charged to the Statement of Profit and Loss as incurred. The contributions to Superannuation scheme are based on the premium contribution called for by Life Insurance Corporation of India (LIC) with whom the Company has entered into an arrangement.

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

#### (b) Defined Benefit Plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Contribution to Gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an arrangement. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited in the statement of profit and loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss.

In respect of certain employees, the Company has Defined Benefit Plan for Other Long-term Employee Benefit in the form of Provident Fund. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

## (ii) Short-term Employee Benefit

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

## 1.19 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 1.20 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 1.21 Earnings Per Share

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

## 1.22 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III (division II), unless otherwise stated.

## 2. Critical Accounting Estimates and Judgements:

The preparation of Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

Recognition of deferred tax assets for carried forward unabsorbed depreciation –note 16

Estimated goodwill impairment - note 4 (ii)

Estimation of Defined Benefit Obligation - note 15

Impairment of trade receivables - note 29

Estimation of inputs for fair value of Share based payment instrument – note 32

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 3: Property, plant and equipment**

Particulars	Office Building	Leasehold Improvements	" Furniture and Fixtures "	Computers	Office equipments	Vehicles	Plant and Machinery	Total	Capital work in progress
<b>Year ended 31 March 2016</b>									
<b>Gross carrying amount</b>									
Deemed Cost as at 1 April 2015	1,962.6	474.3	1,340.1	459.9	346.2	233.5	-	4,816.6	32.8
Acquired pursuant to Scheme of Arrangement and Amalgamation w.e.f 1 April 2015 (Refer Note 35)	-	-	-	-	-	-	27.2	27.2	-
Additions	11,012.5	209.9	957.8	561.5	533.0	217.1	3.5	13,495.3	44.6
Disposals/transfer	-	25.8	34.8	0.8	33.5	65.0	-	159.9	32.8
<b>Closing gross carrying amount</b>	<b>12,975.1</b>	<b>658.4</b>	<b>2,263.1</b>	<b>1,020.6</b>	<b>845.7</b>	<b>385.6</b>	<b>30.7</b>	<b>18,179.2</b>	<b>44.6</b>
<b>Accumulated depreciation</b>									
Depreciation charge during the year	74.1	81.1	395.2	316.0	252.3	150.0	2.5	1,271.2	-
Disposals	-	1.6	7.1	0.6	30.7	51.3	-	91.3	-
<b>Closing accumulated depreciation</b>	<b>74.1</b>	<b>79.5</b>	<b>388.1</b>	<b>315.4</b>	<b>221.6</b>	<b>98.7</b>	<b>2.5</b>	<b>1,179.9</b>	<b>-</b>
<b>Net carrying amount as at 31 March 2016</b>	<b>12,901.0</b>	<b>578.9</b>	<b>1,875.0</b>	<b>705.2</b>	<b>624.1</b>	<b>286.9</b>	<b>28.2</b>	<b>16,999.3</b>	<b>44.6</b>
<b>Gross carrying amount</b>									
Opening as at 1 April 2016	12,975.1	658.4	2,263.1	1,020.6	845.7	385.6	30.7	18,179.2	44.6
Additions	-	198.8	496.1	235.4	80.4	199.4	-	1,210.1	102.1
Disposals/transfer	45.4	62.3	134.7	7.5	69.9	64.0	-	383.8	44.6
<b>Closing gross carrying amount</b>	<b>12,929.7</b>	<b>794.9</b>	<b>2,624.5</b>	<b>1,248.5</b>	<b>856.2</b>	<b>521.0</b>	<b>30.7</b>	<b>19,005.5</b>	<b>102.1</b>
<b>Accumulated depreciation</b>									
Opening as at 1 April 2016	74.1	79.5	388.1	315.4	221.6	98.7	2.5	1,179.9	-
Depreciation charge during the year	224.5	106.7	346.1	340.7	191.0	120.6	2.6	1,332.2	-
Disposals	1.5	15.4	78.3	6.2	65.0	40.2	-	206.6	-
<b>Closing accumulated depreciation</b>	<b>297.1</b>	<b>170.8</b>	<b>655.9</b>	<b>649.9</b>	<b>347.6</b>	<b>179.1</b>	<b>5.1</b>	<b>2,305.5</b>	<b>-</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>12,632.6</b>	<b>624.1</b>	<b>1,968.6</b>	<b>598.6</b>	<b>508.6</b>	<b>341.9</b>	<b>25.6</b>	<b>16,700.0</b>	<b>102.1</b>

**(i) Leased Assets**

Computers and Vehicles includes the following amounts where the company is a lessee under a finance lease:

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Computers*	Vehicles	Computers*	Vehicles	Computers*	Vehicles
Cost/Deemed Cost	-	420.5	-	383.4	-	231.3
Accumulated Depreciation	-	80.1	-	98.4	-	-
<b>Net Carrying Amount</b>		<b>340.4</b>		<b>285.0</b>		<b>231.3</b>

\* Fully depreciated as at April 1, 2015

**(ii) Contractual Obligations**

Refer Note 26 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**(iii) Capital Work-in-progress**

Capital work-in-progress mainly comprises of computer hardware, properties, furniture &amp; fixtures and office equipment

**(iv) Cost of Office Building includes:**

- 60 (Previous year - 60, 1 April 2015 - 60) unquoted fully paid-up Shares of INR 0.03 (Previous year INR 0.03, 1 April 2015 INR 0.03) in various Co-operative Societies.
- Share application money of INR 0.02 (Previous year INR 0.02, 1 April 2015 INR 0.02) to various Co-operative Societies.
- Premises of INR 1,155.1 (Previous year INR 1,181.9, 1 April 2015 INR 1,472.5) where the Co-operative Society is yet to be formed. 3



# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 4: Intangible assets**

Particulars	Computer software	Goodwill
<b>Year ended 31 March 2016</b>		
<b>Gross carrying amount</b>		
Deemed Cost as at 1 April 2015	926.2	-
Generated pursuant to Scheme of Arrangement and Amalgamation w.e.f 1 April 2014 (Refer Note 35)	-	446.3
Additions	405.7	-
<b>Closing gross carrying amount</b>	1,331.9	446.3
<b>Accumulated amortisation</b>		
Amortisation charge for the year	464.3	-
<b>Closing accumulated amortisation</b>	464.3	-
<b>Net carrying amount as at 31 March 2016</b>	867.6	446.3
<b>Year ended 31 March 2017</b>		
Gross carrying amount		
Opening as at 1 April 2016	1,331.9	446.3
Additions	230.4	-
<b>Closing gross carrying amount</b>	1,562.3	446.3
Accumulated amortisation		
Opening as at 1 April 2016	464.3	-
Amortisation charge for the year	430.1	-
Closing accumulated amortisation	894.4	-
<b>Net carrying amount as at 31 March 2017</b>	667.9	446.3

**(i) Intangible assets includes:**

Intangible Assets (software) includes Internally generated / developed software - Gross Block INR 1595.2 (Previous year INR 1595.2, 1 April 2015 INR 1595.2); Net Block INR 105.9 (Previous year INR 269.0 1 April 2015 INR 488.1).

**(ii) Significant Estimate - Impairment tests of goodwill**

The entire amount of goodwill pertains to Sterling business (cash generating unit) generated at the time of acquisition and is tested for impairment on an annual basis. Recoverable amount of the CGU is based on its property values which is higher than the carrying value of the cash generating unit.

**(iii) Leased assets**

Software includes the following amounts where the company is a lessee under a finance lease:

Particulars	31 March 2017	31 March 2016	1 April 2015
	Computer software*	Computer software*	Computer software*
Cost/Deemed Cost	-	-	-
Accumulated Depreciation	-	-	-
<b>Net Carrying Amount</b>	-	-	-

\* Fully depreciated as at April 1, 2015

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 5: Investments**

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Investment in equity instruments (fully paid-up) - Fair value through Profit and Loss A/c</b>			
<b>Quoted</b>			
10 (Previous year 10, 1 April 2015 10) fully paid-up Equity Shares of INR 10/- each of JIK Industries Limited	*	*	*
100 (Previous year 100, 1 April 2015 100) fully paid-up Equity Shares of INR 10/- each of Weizmann Limited	*	*	*
66 (Previous year 66, 1 April 2015 66) fully paid-up Equity Shares of INR 10/- each of Karma Energy Limited	*	*	*
66 (Previous year 66, 1 April 2015 66) fully paid-up Equity Shares of INR 10/- each of Weizmann Forex Limited	*	*	*
<b>Unquoted - In subsidiaries at cost</b>			
1,576,697 (Previous year 1,576,697, 1 April 2015 1,576,698) fully paid-up Equity Shares of INR 10/- each of Travel Corporation (India) Limited	18,484.3	18,484.3	18,484.3
1,655,500 (Previous year 1,655,500, 1 April 2015 1,655,500) fully paid-up Equity Shares of USD 1/- each of Thomas Cook (Mauritius) Holding Company Limited	732.5	732.5	732.5
29,050,000 (Previous year 29,050,000, 1 April 2015 29,050,000) fully paid-up Equity Shares of INR 10/- each of Sterling Holiday Resorts Limited (formerly known as 'Thomas Cook Insurance Services (India) Limited')	58,005.0	58,005.0	58,005.0
50,000 (Previous year 50,000, 1 April 2015 50,000) fully paid-up Equity Shares of INR 10/- each of Indian Horizon Marketing Services Limited (Formerly known as 'Indian Horizon Travel and Tours Limited')	5.0	5.0	5.0
3,000,000 (Previous year 3,000,000, 1 April 2015 50,000) fully paid-up Equity Shares of INR 10/- each of TC Tours Limited (Formerly known as Thomas Cook Tours Limited)	300.0	300.0	5.0
10,767,978 (Previous year 10,767,978, 1 April 2015 3,881,256) fully paid-up Equity Shares of SLR 10/- each of Thomas Cook Lanka (Private) Limited	427.7	427.7	158.4
78,823,496 (Previous year 78,823,496, 1 April 2015 19,705,874) fully paid-up Equity Shares of INR 10/- each of Quess Corp Limited (Refer Note 37) - Quoted during the year	25,924.9	25,924.9	25,924.9
5,000 (Previous year 5,000, 1 April 2015 Nil) fully paid-up Equity Shares of INR 10/- each of Jardin Travel Solutions Limited	0.5	0.5	-
5,000 (Previous year 5,000, 1 April 2015 Nil) fully paid-up Equity Shares of INR 10/- each of Borderless Travel Services Limited	0.5	0.5	-
5,493,943 (Previous year 5,493,943, 1 April 2015 Nil) fully paid-up Equity shares of INR 10/- each fully paid-up of SOTC Travel Services Private Limited (Formerly known as 'Kuoni Travel (India) Private Limited') (Refer Note 38)	18,100.0	18,100.0	-
10,000 (Previous year Nil, 1 April 2015 Nil) fully paid-up Equity Shares of INR 10/- each of SITA Travels Private Limited (Refer Note 39)	1.0	-	-
<b>ESOP issued to subsidiaries' employees</b>			
Travel Corporation (India) Limited	23.3	40.1	120.0
TC Visa Services Limited	9.8	6.1	2.8
Sterling Holiday Resort Limited	559.7	358.7	72.7
TC Tours Limited (Formerly known as Thomas Cook Tours Limited)	12.0	-	-
SOTC Travel Services Limited	171.3	-	-
<b>Others - Fair value through P &amp; L</b>			
676 (Previous year 676, 1 April 2015 676) fully paid-up Class C (Series I) Common Stock of USD 0.0001/- each of Visa inc.	9.6	9.6	9.6
Aggregate amount of quoted investments	25,924.9	*	*
Aggregate amount of unquoted investments	96,842.2	122,394.9	103,520.2
Market value of Quoted Investments	542,463.3	0.1	0.2
Aggregate amount of impairment in the value of investments	0.2	0.2	0.2

\* Amount is below the rounding off norm adopted by the Company.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 6: Financial Assets****6(a) CURRENT INVESTMENTS**

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Investment in mutual funds fair valued through Profit and Loss A/c (Quoted)</b>			
- Birla Sun Life Cash Plus Daily Dividend - Direct Plan - Reinvestment Nil (Previous year: nil, 1 April 2015: 2,996,035) Units of INR 100/- each	-	-	3,001.9
- IDFC Cash Fund Daily Dividend - (Direct Plan) Nil (Previous year: nil, 1 April 2015: 49,990) Units of INR 1,000/- each	-	-	500.2
- ICICI Prudential Money Market Fund - Direct Plan - Daily Dividend Nil (Previous year: nil, 1 April 2015: 2,996,530) Units of INR 100/- each	-	-	3,000.8
- Axis Liquid Fund - Direct Plan - Daily Dividend CFDRR Nil (Previous year: nil, 1 April 2015: 300,019) Units of INR 1,000/- each	-	-	3,001.2
- Baroda Pioneer Liquid Fund Plan B - Daily Dividend- Re-investment Nil (Previous year: nil, 1 April 2015: 140) Units of INR 1,000/- each	-	-	1.4
- HDFC Liquid Fund - Direct Plan - Dividend - Daily Reinvestment Nil (Previous year: nil, 1 April 2015: 29,426,187) Units of INR 10/- each	-	-	3,000.9
<b>Total Mutual Funds</b>	-	-	12,506.4
<b>Total Current investments</b>	-	-	12,506.4
<b>Aggregate Amount of quoted investments</b>	-	-	12,506.4
<b>Aggregate Amount of impairment in the value of investments</b>	-	-	-

**6(b) Trade receivables**

Particulars	31 March 2017	31 March 2016	1 April 2015
Trade receivables	22,997.3	19,948.9	22,648.4
Less : Allowance for doubtful debts	(1,081.6)	(1,018.1)	(1,038.1)
<b>Total receivables</b>	21,915.7	18,930.8	21,610.3
Break up of Security Details			
Secured, considered good	-	-	-
Unsecured, considered good	21,915.7	18,930.8	21,610.3
Unsecured, considered doubtful	1,081.6	1,018.1	1,038.1
<b>Total</b>	22,997.3	19,948.9	22,648.4
Less : Allowance for doubtful debts	(1,081.6)	(1,018.1)	(1,038.1)
<b>Total Trade Receivables</b>	21,915.7	18,930.8	21,610.3

**6(c) Cash and cash equivalents**

Particulars	31 March 2017	31 March 2016	1 April 2015
Balances with banks :			
In current accounts	1,121.6	2,218.3	3,429.4
Fixed Deposits with original maturity of less than three months*	36,259.0	41,409.1	33.7
Balance in EEFC accounts	173.3	45.6	54.0
Remittance in Transit (including foreign currencies- Notes and paid documents)	746.4	1,718.2	3,358.0
Cheques on hand	827.1	584.0	551.4
Cash on hand (including foreign currencies- Notes and paid documents)	4,250.7	4,570.0	5,747.7
<b>Total Cash and cash equivalents</b>	43,378.1	50,545.2	13,174.2

\* Includes lien as per terms of contract with Moneygram and on lien with airport authority INR 3.2 (Previous year INR 1,338.6, 1 April 2015 INR 2.5)

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**6(d) Bank balances other than cash and cash equivalents**

Particulars	31 March 2017	31 March 2016	1 April 2015
Fixed Deposits with original maturity of more than three months but less than 12 months*	1,256.5	96.2	3,288.7
Unclaimed dividend	23.4	26.6	18.2
Total Cash and cash equivalents	1,279.9	122.8	3,306.9

\* Includes lien as per terms of contract with Moneygram and on lien with airport authority INR 1,256.5 (Previous year INR 96.1, 1 April 2015 INR 20.8)

**6(e) Other financial Assets**

Particulars	Non-current	Current	Non-current	Current	Non-current	Current
	31 March 2017	31 March 2017	31 March 2016	31 March 2016	1 April 2015	1 April 2015
Fixed deposits with maturity for more than 12 months*	1,683.9	-	1,644.4	-	147.6	-
Security Deposits	416.7	3,363.1	3,308.0	561.9	3,151.8	462.8
Receivable from subsidiaries	165.2	91.3	256.5	119.7	-	-
Accrued Revenue	-	1,526.7	-	2,236.4	-	4,946.3
Advance to Related Parties	-	1,273.2	-	1,488.5	-	1,285.7
Insurance claim receivable	-	217.1	-	241.2	-	183.2
Others	-	9.0	-	-	316.6	0.2
Total Other Financial Assets	2,265.8	6,480.4	5,208.9	4,647.7	3,616.0	6,878.2

\*[On lien as per terms of contract with Moneygram and on lien with airport authority INR 1,683.9 (Previous year INR 1,644.4, 1 April 2015 INR 116.4)]

**Note 7: Other Non-Current Assets**

Particulars	31 March 2017	31 March 2016	1 April 2015
Capital advances	54.9	22.1	1,043.7
Prepaid expenses	417.4	477.6	533.3
Total	472.3	499.7	1,577.0

**Note 8: Other Current Assets**

Particulars	31 March 2017	31 March 2016	1 April 2015
Advance to Suppliers			
Unsecured, considered good	7,579.2	7,765.3	10,908.5
Unsecured, considered Doubtful	1,148.2	720.1	490.6
Less: Allowance for doubtful advances	(1,148.2)	(720.1)	(490.6)
Advance to Employees			
Unsecured, considered good	8.6	175.4	145.6
Unsecured, considered Doubtful	75.8	65.8	58.0
Less: Allowance for doubtful advances	(75.8)	(65.8)	(58.0)
Prepaid expenses	392.0	633.4	803.1
Balances with service tax authorities	299.5	218.7	248.3
Total	8,279.3	8,792.8	12,105.5

**Note 9: Non Current Tax Assets / Current Tax Liabilities**

Particulars	31 March 2017	31 March 2016	1 April 2015
Opening Balance	938.6	(508.3)	-
Less: Current Tax payable for the year	(216.9)	(72.1)	-
Add: Taxes Paid	1,262.6	1,519.0	-
<b>Closing Balances</b>	<b>1,984.3</b>	<b>938.6</b>	<b>-</b>
Disclosed as:			
Non Current Tax Assets (as per Balance sheet)	1,984.3	938.6	-
Current Tax Liability (as per Balance sheet)	-	-	(508.3)

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 10(a) Share Capital and Other Equity**

Particulars	Equity Share capital#		Preference Share capital *	
	No of Shares (In lakhs)	Amount	No of Shares (In lakhs)	Amount
<b>AUTHORISED</b>				
<b>As at 1 April 2015</b>	5,058.3	5,058.3	2,404.2	24,041.7
Increase/(Decrease) during the year	8,291.7	8,291.7	95.8	958.3
<b>As at 31 March 2016</b>	13,350.0	13,350.0	2,500.0	25,000.0
Increase/(Decrease) during the year	-	-	-	-
<b>As at 31 March 2017</b>	13,350.0	13,350.0	2,500.0	25,000.0

#Consists of following:

1,335,000,000 (Previous year 1,335,000,000, 1 April 2015 505,827,060) Equity Shares of INR 1/- each

\* Consists of following:

- Nil (Previous year Nil, 1 April 2015 114,760,000) 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of INR 10/- each
- Nil (Previous year Nil, 1 April 2015 355,294) 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of INR 10/- each
- Nil (Previous year Nil, 1 April 2015 302,000) 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of INR 10/- each
- Nil (Previous year Nil, 1 April 2015 125,000,000) 'Class D' 0.001% Preference Shares of INR 10/- each
- 250,000,000 (Previous year 250,000,000, 1 April 2015 Nil) 8.50% Non Convertible Redeemable Preference Shares of INR 10/- each

**(i) Movement in Equity Share Capital and other capital during the Year**

Particulars	Equity share capital		Class D' 0.001% Compulsory convertible Preference share capital (CCPS)	
	No of Shares (In lakhs)	Amount	No of Shares (In lakhs)	Amount
<b>As at April 1, 2015</b>	<b>3,213.9</b>	<b>3,213.9</b>	<b>44.2</b>	<b>442.3</b>
Add/(Less): Conversion of CCPS (Refer (ii)(b) below)	442.3	442.3	(44.2)	(442.3)
Add: Addition on account of stock options allotment	2.6	2.6	-	-
<b>As at March 31, 2016</b>	<b>3,658.8</b>	<b>3,658.8</b>	-	-
Add: Addition on account of stock options allotment	8.8	8.8	-	-
<b>As at March 31, 2017</b>	<b>3,667.6</b>	<b>3,667.6</b>	-	-

**(ii) Terms and rights attached to shares**

- The Company has one class of equity shares having a par value of INR 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution to preference shareholders of all preferential amounts, in proportion to their shareholding.
- CCPS:- 6,250,000 CCPS of INR 10/- each were allotted on 13 March 2014 to Fairbridge Capital (Mauritius) Limited at a price of INR 800/- each which includes a premium of INR 790/- per share in order to partly fund the investment made by Thomas Cook Insurance Services (India) Limited in Sterling Holiday Resorts (India) Limited. The CCPS was entitled to a dividend of 0.001% per annum. On 9 March+ B17 2015, out of total 6,250,000 CCPS, 1,827,000 of INR 10/- each were converted into 182.7 equity shares of INR 1/- each. On 8 September 2015 remaining 4,423,000 CCPS of INR 10/- each were converted in 44,230,000 equity shares of INR 1/- each."

**Shares reserved for issue under options**

Information relating to Thomas Cook India Limited's Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 32.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(iii) Shares of the company held by the Subsidiaries of the ultimate holding company**

Particulars	31 March 2017		31 March 2016		1 April 2015	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
<b>Equity Shares</b>						
Fairbridge Capital (Mauritius) Limited	2,481.5	2,481.5	2,481.5	2,481.5	1,227.5	1,227.5
H Investments	-	-	-	-	811.7	811.7
<b>CCPS</b>						
Fairbridge Capital (Mauritius) Limited	-	-	-	-	44.2	442.3

**(iv) Shareholding Pattern (Shareholders holding 5% or more shares in the Company)**

Category of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	No of shares	% of Holding	No of shares	% of Holding	No of shares	% of Holding
<b>Equity Shares</b>						
Fairbridge Capital (Mauritius) Limited	2,481.5	67.7%	2,481.5	67.8%	1,227.5	45.0%
H Investments	-	-	-	-	811.7	29.8%
<b>CCPS</b>						
Fairbridge Capital (Mauritius) Limited	-	-	-	-	44.2	100.0%

**(v) Aggregate number of shares issued for consideration other than cash**

Particulars	31 March 2017	31 March 2016	1 April 2015
Shares issued as consideration for acquisition of Subsidiary (Refer Note 35)	-	-	48,657,929

**Note 10(b) Reserves and surplus**

Particulars	31 March 2017	31 March 2016	1 April 2015
Capital Reserve	7.8	7.8	7.8
Capital Redemption Reserve	2,380.9	595.2	-
Debenture Redemption Reserve	2,533.7	2,339.2	1,305.6
Share Option Outstanding Amount	3,452.4	2,688.8	1,291.3
Securities Premium Account	86,578.6	85,550.8	85,507.0
General Reserve	4,369.7	3,536.4	3,536.4
Retained Earnings	12,981.6	18,423.0	21,044.1
Total reserves and surplus	112,304.7	113,141.2	112,692.0

**(i) Capital Reserve**

Particulars	31 March 2017	31 March 2016
Opening Balance	7.8	7.8
Closing Balance	7.8	7.8

**(ii) Capital Redemption Reserve**

Particulars	31 March 2017	31 March 2016
Opening Balance	595.2	-
Add: Transfer from retained earnings	1,785.7	595.2
Closing Balance	2,380.9	595.2

**(iii) Debenture Redemption Reserve**

Particulars	31 March 2017	31 March 2016
Opening Balance	2,339.2	1,305.6
Add: Transfer from retained earnings	1,027.8	1,033.6
Less: Transfer to general reserves	(833.3)	-
Closing Balance	2,533.7	2,339.2



# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(iv) Share Option Outstanding Account**

Particulars	31 March 2017	31 March 2016
Opening Balance	2,688.8	1,291.3
Add: Charge for options	1,089.9	1,442.6
Less: Transfer to Securities Premium on exercise of stock options	(326.3)	(45.1)
Closing Balance	3,452.4	2,688.8

**(v) Securities Premium Account**

Particulars	31 March 2017	31 March 2016
Opening Balance	85,550.8	85,507.0
Add: Addition on account of Stock Options allotment	701.5	119.0
Add: Transfer from Share Option Outstanding	326.3	45.1
Less: Share Issue Expense	-	(120.3)
Closing Balance	86,578.6	85,550.8

**(vi) General Reserves**

Particulars	31 March 2017	31 March 2016
Opening Balance	3,536.4	3,536.4
Add: Transfer from DRR	833.3	-
Closing Balance	4,369.7	3,536.4

**(vii) Retained Earnings**

Particulars	31 March 2017	31 March 2016
Opening Balance	18,423.0	21,044.1
Net Profit For the period	(835.9)	538.6
Dividends, including dividend distribution tax	(1,654.1)	(1,517.6)
Items of other Comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(137.9)	(13.3)
Transfer to capital redemption reserve	(1,785.7)	(595.2)
Transfer to debenture redemption reserve	(1,027.8)	(1,033.6)
Closing Balance	12,981.6	18,423.0

**Nature and Purpose of Reserves****Capital Redemption Reserve**

The Company has issued Non convertible redeemable preference shares during the year. In order to comply with the requirements of section 69 of The Companies Act, 2013, the Company has transferred amounts to Capital Redemption Reserve.

**Debenture Redemption Reserve**

The Company has issued Non Convertible Debentures. In order to comply with the requirements of section 71 of The Companies Act, 2013, the Company has transferred amounts to Debenture Redemption Reserve.

**Share Option Outstanding Amount**

The share option outstanding account is used to recognised the grant date fair value of options issued to employees under the company's Employee stock option plan. This includes options issued to the employees of the subsidiaries.

**General reserves**

General reserve is used to record transfer from capital redemption reserve and debenture redemption reserve. The reserves is utilised in accordance with the provisions of the Act.

**Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares and towards allotment of ESOP. The reserves is utilised in accordance with the provisions of the Act.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 11: Financial Liabilities****11(a) Non-Current Borrowings**

Particulars	Maturity Date	Nature of Security	Terms of Payment	Coupon/ Interest Rate	31 March 2017	31 March 2016	1 April 2015
<b>Long term maturities of finance lease obligations:</b>							
Obligations under Finance Lease		Secured by hypothecation of assets underlying the leases	Monthly payment of Equated monthly instalments		405.8	316.0	205.7
<b>Debentures:</b>							
1,000 (Previous year - 1,000, 1 April 2015 - 1,000) 10.52% Redeemable Non-Convertible Debentures	April 15, 2018		Repayable in three equal installments on 15-Apr-16, 15-Apr-17 and 16-Apr-18	10.52%	7,341.7	11,011.6	11,011.6
1000 (Previous year - 1,000, 1 April 2015 - Nil) 9.37% Redeemable Non-Convertible Debentures	August 31, 2020		Repayment terms - Face value of INR 3,300.0 on 31-Aug-18, INR 3,300.0 on 30-Aug-19 and INR 3,400.0 on 31-Aug-20	9.37%	10,546.6	10,551.8	-
125,000,000 (Previous year - 125,000,000, 1 April 2015 - Nil) 8.5% Non Convertible Cumulative Redeemable Preference Shares ("NCCRPS") of 10 each	December 1, 2022		Single repayment at end of the term	8.50%	12,854.2	12,854.2	-
<b>Total Non-Current Borrowings</b>					<b>31,148.3</b>	<b>34,733.6</b>	<b>11,217.3</b>
Less: Current maturities of Long Term Borrowings (included in note 11(C))					3,333.3	3,333.3	-
Less: Current maturities of Finance Lease Obligations (included in note 11(C))					110.6	78.2	78.1
Less: Issue Expenses (IND AS Adj)					55.1	79.8	38.9
Less: Interest Accrued (included in note 11(C))					1,221.3	1,563.4	1,011.5
Less: Interest accrued on NCCRPS (included in note 11(C))					354.2	354.2	-
<b>Non-Current Borrowings (As per Balance Sheet)</b>					<b>26,073.8</b>	<b>29,324.7</b>	<b>10,088.8</b>

**11(b) Current Borrowings**

Particulars	Maturity Date	Terms of Payment	Coupon/ Interest Rate	31 March 2017	31 March 2016	1 April 2015
<b>Unsecured</b>						
Bank Overdrafts		Payable on Demand	9.4%	5,833.1	2,100.8	5,056.0
<b>Total Current Borrowings</b>				<b>5,833.1</b>	<b>2,100.8</b>	<b>5,056.0</b>
Less: Interest Accrued (included in note 11(c))				0.5	0.3	25.9
<b>Current Borrowings (As per Balance Sheet)</b>				<b>5,832.6</b>	<b>2,100.5</b>	<b>5,030.1</b>

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**11(c) Other Financial Liabilities**

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
<b>Current</b>						
Current maturities of Redeemable long term debentures (Refer 11(a))	-	3,333.3	-	3,333.3	-	-
Current maturities of finance lease obligations (Refer 11(a))	-	110.6	-	78.2	-	78.1
Deposits received from vendor	-	2,911.5	-	3,065.9	-	3,380.6
Unpaid Dividend @	-	28.1	-	26.6	-	18.2
Interest accrued	-	1,622.9	-	1,975.9	-	1,046.8
Liabilities against Fixed Assets	-	26.3	-	225.3	-	-
Interest payable to Related parties	-	-	-	-	-	117.0
Derivative financial liabilities	-	998.3	-	109.7	-	-
Guarantees given to bank and others on behalf of subsidiaries	165.2	91.3	256.5	119.7	-	-
Others	-	25.7	-	41.1	-	89.2
<b>Total Other Financial Liabilities</b>	<b>165.2</b>	<b>9,148.0</b>	<b>256.5</b>	<b>8,975.7</b>	<b>-</b>	<b>4,729.9</b>

@ INR 1.9 (Previous year INR 2.1, 1 April 2015 INR 2.1) was transferred to Investor Education and Protection Fund under Section 125 of The Companies Act, 2013 / Section 205C of the Companies Act, 1956 during the year ended March 31, 2017.

**11(d) Trade Payables**

Particulars	31 March 2017	31 March 2016	1 April 2015
-Dues of micro enterprises and small enterprises	-	-	-
-Dues of creditors other than micro enterprises and small enterprises	-	-	-
(i) Acceptances	-	-	-
(ii) Other @#	44,407.7	53,951.1	22,847.4
<b>Total Trade Payables</b>	<b>44,407.7</b>	<b>53,951.1</b>	<b>22,847.4</b>

@ Includes Book Overdrafts aggregating to INR 507.9 (Previous year INR 5,985.1, 1 April 2015 INR 720.0)

# Includes INR 36,278.2 secured by bank guarantee of USD 17,100,000 (INR 11,089.3), Previous year INR 29,667.1 secured by bank guarantee of USD 17,100,000 (INR 11,329.6), 1 April 2015 Nil

Note: There are no delayed payments to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Further, there are no dues to such parties which are outstanding as at the Balance Sheet date. This information has been determined on the basis of information available with the company. This has been relied upon by the auditors.

**Note 12: Other Non-Current Liabilities**

Particulars	31 March 2017	31 March 2016	1 April 2015
Income Received In Advance	73.6	66.6	85.5
<b>Total</b>	<b>73.6</b>	<b>66.6</b>	<b>85.5</b>

**Note 13: Other Current Liabilities**

Particulars	31 March 2017	31 March 2016	1 April 2015
Income Received in Advance	20.5	84.0	90.4
Advance receipts from Customers for which value is still to be given	23,289.8	16,375.3	20,463.6
Statutory Dues	998.2	919.3	653.8
Fractional entitlement on Bonus Share Refund Accounts	0.5	0.5	0.5
<b>Total</b>	<b>24,309.0</b>	<b>17,379.1</b>	<b>21,208.3</b>

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 14: Provisions**

Particulars	Non-Current	Current	Total	Non-Current	Current	Total	Non-Current	Current	Total
	31 March 2017	31 March 2017		31 March 2016	31 March 2016		1 April 2015	1 April 2015	
Other Provisions									
-Rent Equalisation Reserve	28.6	38.3	66.9	66.9	890.7	957.6	955.2	527.3	1,482.5
-Provision for Litigation and disputes	77.5	-	77.5	73.1	-	73.1	50.7	-	50.7
<b>Total</b>	<b>106.1</b>	<b>38.3</b>	<b>144.4</b>	<b>140.0</b>	<b>890.7</b>	<b>1,030.7</b>	<b>1,005.9</b>	<b>527.3</b>	<b>1,533.2</b>

**(i) Movement in Provisions**

Particulars	Provision for Litigation and disputes	Rent Equalisation Reserve
<b>Opening balance as at 1 April 2015</b>	<b>50.7</b>	<b>1,482.5</b>
Charged/(credited) to profit or loss	22.4	(524.9)
<b>Closing balance as at 31 March 2016</b>	<b>73.1</b>	<b>957.6</b>
Charged/(credited) to profit or loss	4.4	(890.7)
<b>Closing balance as at 31 March 2017</b>	<b>77.5</b>	<b>66.9</b>

**Note 15: Employee Benefit Obligations**

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Non-Current	Current	Total	Non-Current	Current	Total	Non-Current	Current	Total
Leave Entitlement	-	154.2	154.2	-	212.0	212.0	-	-	-
Gratuity	344.9	-	344.9	106.9	-	106.9	126.1	-	126.1
Employee benefits payable	-	905.7	905.7	-	763.3	763.3	-	2,548.8	2,548.8
<b>Total</b>	<b>344.9</b>	<b>1,059.9</b>	<b>1,404.8</b>	<b>106.9</b>	<b>975.3</b>	<b>1,082.2</b>	<b>126.1</b>	<b>2,548.8</b>	<b>2,674.9</b>

**(i) Leave Obligations - Leave Entitlement**

The leave obligations cover the Company's liability for earned leave.

The amount of the provision of INR 154.2 (31 March 2016 - INR 212.0, 1 April 2015 - INR NIL) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. The following amounts reflect leave that is expected to be taken or paid within the next 12 months.

Particulars	31 March 2017	31 March 2016	1 April 2015
Current leave obligations expected to be settled within next 12 months	154.2	212.0	-

**(ii) Post Employment Obligations**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

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

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(iii) Defined contribution Plans****The Company has recognised the following amounts in Statement of Profit and Loss for the year:**

Particulars	31 March 2017	31 March 2016
Contribution to Employees State Insurance	19.2	10.6
Contribution to Labour Welfare Fund	1.1	1.3
Superannuation Contribution	57.0	58.0
Contribution to provident fund	265.5	286.5
	342.8	356.4

**Balance Sheet Amounts - Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2015</b>	<b>1,216.1</b>	<b>(1,090.0)</b>	<b>126.1</b>
Current service cost	166.9	-	166.9
Interest expense/(income)	88.8	(87.0)	1.8
<b>Total amount recognised in profit and loss</b>	<b>255.7</b>	<b>(87.0)</b>	<b>168.7</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	(9.8)	(9.8)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	11.6	-	11.6
Experience (gains)/losses	18.6	-	18.6
<b>Total amount recognised in other comprehensive income</b>	<b>30.2</b>	<b>(9.8)</b>	<b>20.4</b>
Employer contributions	-	(208.3)	(208.3)
Benefit payments	(159.3)	159.3	-
<b>31 March 2016</b>	<b>1,342.7</b>	<b>(1,235.8)</b>	<b>106.9</b>

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>31 March 2016</b>	<b>1,342.7</b>	<b>(1,235.8)</b>	<b>106.9</b>
Current service cost	171.3	-	171.3
Interest expense/(income)	97.6	(97.0)	0.6
<b>Total amount recognised in profit and loss</b>	<b>268.9</b>	<b>(97.0)</b>	<b>171.9</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	2.9	2.9
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	95.2	-	95.2
Experience (gains)/losses	112.7	-	112.7
<b>Total amount recognised in other comprehensive income</b>	<b>207.9</b>	<b>2.9</b>	<b>210.8</b>
Employer contributions	-	(144.7)	(144.7)
Benefit payments	(214.3)	214.3	-
<b>31 March 2017</b>	<b>1,605.2</b>	<b>(1,260.3)</b>	<b>344.9</b>

The net liability disclosed above relates to funded and unfunded plans as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of funded obligations	1,605.2	1,342.7	1,216.1
Fair value of plan assets	(1,260.3)	(1,235.8)	(1,090.0)
<b>Deficit of funded plan</b>	<b>344.9</b>	<b>106.9</b>	<b>126.1</b>
Unfunded plans	-	-	-
<b>Deficit of gratuity plan</b>	<b>344.9</b>	<b>106.9</b>	<b>126.1</b>

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Significant estimates: Actuarial assumptions and sensitivity for gratuity

The significant actuarial assumptions were as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Discount rate	7.15%	7.85%	7.95%
Salary growth rate	6.00%	6.00%	6.00%

## Sensitivity analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Discount rate	50 basis point	50 basis point	-4.30%	-4.18%	4.64%	4.51%
Salary growth rate	50 basis point	50 basis point	4.67%	4.56%	-4.36%	-4.26%

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

## The major categories of plans assets for gratuity are as follows:

Particulars	31 March 2017				31 March 2016				1 April 2015			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Insurer (LIC)	-	1,260.1	1,260.1	100%	-	1,235.6	1,235.6	100%	-	1,092.4	1,092.4	100%
Managed Funds												

## Risk Exposure for gratuity

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below :

- Asset volatility- The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any decrease in the bond yields will increase the plan liabilities. The plan assets investments are in unquoted securities which are subject to interest rate risks and the fund manages the interest rate risks to an acceptable low level.
- Salary growth & Demographic assumptions- The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lumpsum in nature the plan is not subject to any longevity risks.

## Defined benefit liability and employer contributions for gratuity

The weighted average duration of the defined benefit obligation is 8.93 years (2016 - 8.78 years, 2015 - 9.04 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2017 - Post Employment Obligations	227.8	139.5	315.4	2,927.4	3,610.1
31 March 2016 - Post Employment Obligations	184.6	114.4	299.5	2,660.7	3,259.2
31 March 2015 - Post Employment Obligations	199.0	89.5	300.3	2,457.5	3,046.3



# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Balance Sheet Amounts - Provident fund

The amounts recognised in the balance sheet and the movements in provident fund over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2015</b>	6,349.5	(6,349.5)	-
Current service cost	369.7	-	369.7
Interest expense/(income)	516.0	(516.0)	-
<b>Total amount recognised in profit and loss</b>	<b>885.7</b>	<b>(516.0)</b>	<b>369.7</b>
<i>Remeasurements</i>			
Experience (gains)/losses	83.9	(83.9)	-
<b>Total amount recognised in other comprehensive income</b>	<b>83.9</b>	<b>(83.9)</b>	-
Employees contributions	682.6	(682.6)	-
Employer contributions	-	(369.7)	(369.7)
Liabilities assumed/(settled)	(83.8)	83.8	-
Benefit payments	(457.3)	457.3	-
<b>31 March 2016</b>	<b>7,460.6</b>	<b>(7,460.6)</b>	-
Current service cost	366.5	-	366.5
Interest expense/(income)	591.6	(591.6)	-
<b>Total amount recognised in profit and loss</b>	<b>958.1</b>	<b>(591.6)</b>	<b>366.5</b>
<i>Remeasurements</i>			
Experience (gains)/losses	103.8	(103.8)	-
<b>Total amount recognised in other comprehensive income</b>	<b>103.8</b>	<b>(103.8)</b>	-
Employees contributions	667.6	(667.6)	-
Employer contributions	-	(366.5)	(366.5)
Liabilities assumed/(settled)	263.3	(263.3)	-
Benefit payments	(581.3)	581.3	-
<b>31 March 2017</b>	<b>8,872.1</b>	<b>(8,872.1)</b>	-

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of funded obligations	8,872.1	7,460.6	6,349.5
Fair value of plan assets	(8,872.1)	(7,460.6)	(6,349.5)
<b>Deficit of funded plan</b>	-	-	-
Unfunded plans	-	-	-
<b>Deficit of provident fund plan</b>	-	-	-

## Significant estimates: Actuarial assumptions and sensitivity for provident fund

The significant actuarial assumptions were as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Discount rate	7.15%	7.85%	7.95%
Future derived return on assets	9.20%	8.85%	8.56%

## Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Difference between rate earned and guaranteed rate	100 basis point	100 basis point	0.39%	2.96%	-	-

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Major categories of plans assets for provident fund are as follows:**

Particulars	31 March 2017				31 March 2016				1 April 2015			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equities and related investment	223.8	-	223.8	2.5%	96.8	-	96.8	1.3%	-	-	-	-
Government of India Securities	3,618.1	-	3,618.1	40.8%	2,878.4	-	2,878.4	38.6%	2,329.9	-	2,329.9	36.7%
Other Debt Instruments	4,702.9	-	4,702.9	53.0%	4,143.8	-	4,143.8	55.5%	3,042.7	-	3,042.7	47.9%
Others	-	327.3	327.3	3.7%	-	341.6	341.6	4.6%	-	326.5	326.5	5.1%
Special deposits scheme	-	-	-	-	-	-	-	-	650.4	-	650.4	10.2%
<b>Total</b>	<b>8,544.8</b>	<b>327.3</b>	<b>8,872.1</b>		<b>7,119.0</b>	<b>341.6</b>	<b>7,460.6</b>		<b>6,023.0</b>	<b>326.5</b>	<b>6,349.5</b>	

**Risk Exposure for provident fund**

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which is detailed below :

Asset volatility- The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any decrease in the bond yields will increase the plan liabilities.

**Note 16: Deferred Tax Assets/(Liabilities)****The balance comprises of temporary differences attributable to:**

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Deferred Tax (Liabilities)</b>			
On Fiscal Allowances on Fixed Assets	(1,050.4)	(811.3)	(752.6)
Other Items			
On NCD issue expenses	(19.1)	(27.6)	(22.0)
<b>Less: Deferred Tax Assets</b>			
On provisions allowable for tax purpose when paid	252.1	264.3	183.5
On Provision for Doubtful Debts and Advances	450.5	439.3	538.1
On unabsorbed depreciation	676.4	139.4	-
Other Items			
On Rent escalation	23.2	331.4	504.0
<b>Net Deferred Tax Assets</b>	<b>332.7</b>	<b>335.5</b>	<b>451.0</b>

**Movement in Deferred Tax Assets / (Liabilities)**

Particulars	On Fiscal Allowances on Fixed Assets	On provisions allowable for tax purpose when paid	On Provision for Doubtful Debts and Advances	On unabsorbed depreciation	Other Items	Total
<b>As at 1 April 2015</b>	<b>(752.6)</b>	<b>183.5</b>	<b>538.1</b>	<b>-</b>	<b>482.0</b>	<b>451.0</b>
(charged)/credited						
-to profit or loss	(58.7)	73.8	(98.8)	139.4	(178.2)	(122.5)
-to other comprehensive income	-	7.0	-	-	-	7.0
<b>As at 31 March 2016</b>	<b>(811.3)</b>	<b>264.3</b>	<b>439.3</b>	<b>139.4</b>	<b>303.8</b>	<b>335.5</b>
(charged)/credited						
-to profit or loss	(239.1)	(85.1)	11.2	537.0	(299.7)	(75.7)
-to other comprehensive income	-	72.9	-	-	-	72.9
<b>As at 31 March 2017</b>	<b>(1,050.4)</b>	<b>252.1</b>	<b>450.5</b>	<b>676.4</b>	<b>4.1</b>	<b>332.7</b>

**Significant estimates-**

The Company has recognised deferred tax assets on carried forward tax losses. The company estimates that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The unabsorbed depreciation can be carried forward for unlimited years and losses for a period of 8 years as per local tax regulations and the company expects to recover the losses.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 17: Revenue from Operations**

Particulars	31 March 2017	31 March 2016
Sale of Services	166,951.6	166,130.7
Other Operating Revenue		
-Miscellaneous Receipts	4,472.3	6,220.4
<b>Total</b>	<b>171,423.9</b>	<b>172,351.1</b>

**Note 18: Other Income and other gains/(losses)****(a) Other Income**

Particulars	31 March 2017	31 March 2016
Interest Income		
-On Bank Deposits	332.0	103.5
-On Others	412.9	357.4
-On Loan to Subsidiaries	-	11.2
Dividend Income		
-From Subsidiaries	72.7	685.9
-From Mutual Fund Investments	249.9	614.4
Facilities and Support Services fees	1.0	2.6
Consultancy income	36.2	371.3
Miscellaneous Income	1,180.4	818.9
<b>Total</b>	<b>2,285.1</b>	<b>2,965.2</b>

**(b) Other gains (net)**

Particulars	31 March 2017	31 March 2016
Profit on sale of property, plant and equipment (Net)	171.7	73.6
<b>Total</b>	<b>171.7</b>	<b>73.6</b>

**Note 19: Employee Benefit Expense**

Particulars	31 March 2017	31 March 2016
Salaries Wages and Bonus	13,844.9	14,006.8
Contribution to Provident and Other Funds	709.3	726.1
Gratuity	171.9	168.7
Employees Share based payment expense	778.8	1,223.6
Staff Welfare Expenses	674.3	718.2
Staff Training, Recruitment and Other Costs	268.9	325.0
Incentives to Staff	1,243.6	799.6
<b>Total</b>	<b>17,691.7</b>	<b>17,968.0</b>

**Note 20: Depreciation and Amortisation Expense**

Particulars	31 March 2017	31 March 2016
Depreciation on Tangible Assets	1,332.2	1,271.2
Amortisation on Intangible Assets	430.1	464.3
<b>Total</b>	<b>1,762.3</b>	<b>1,735.5</b>

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 21: Other Expenses**

Particulars	31 March 2017	31 March 2016
Rent	5,754.3	6,370.1
Electricity	595.6	538.4
Repairs to Building	-	0.4
Repairs to Others	1,605.9	1,604.0
Insurance	164.2	142.1
Rates and Taxes	190.4	106.9
Licence Fees	190.0	200.3
Security Services	490.0	457.0
Travelling Expenses	1,064.8	1,437.0
Vehicle Running and Maintenance Expenses	92.7	136.7
Directors Sitting Fees	27.5	37.6
Commission to Directors	-	11.1
Legal and Professional Charges (refer note 21 (a))	4,066.5	3,592.5
Printing and Stationery	987.2	1,571.8
Freight Currency Shipment	380.3	318.9
Provisions for doubtful debts and Advances (net off bad debt written off)	899.1	666.3
Expenditure towards CSR (refer note 21 (b))	99.4	59.4
Donations	0.2	3.0
Miscellaneous Expenses	654.3	582.7
<b>Total</b>	<b>17,262.4</b>	<b>17,836.2</b>

**Note 21 (a): Details of payments to auditors**

Particulars	31 March 2017	31 March 2016
<b>Payment to auditors</b>		
<b>As auditor:</b>		
-Statutory Audit	53.8	53.8
-Reports under the provision of Income Tax Act, 1961	23.5	23.5
-Miscellaneous Reports	31.2	39.2
<b>In other capacities</b>		
-Reimbursement of expenses	4.9	3.0
<b>Total payments to auditors</b>	<b>113.4</b>	<b>119.5</b>

**Note 21 (b): Corporate social responsibility expenditure**

Particulars	31 March 2017	31 March 2016
(a) Gross amount required to be spent by the Company during the year	98.8	120.0
(b) Amount spent and paid during the year on		
(1) Eradicating Hunger, Poverty & Malnutrition, Promoting Health-Care Including Preventive Health-Care And Sanitation	99.4	59.4

**Note 22: Finance Costs**

Particulars	31 March 2017	31 March 2016
Interest and finance charges on financial liabilities not at fair value through profit and loss	2,925.6	2,381.9
Other Finance Charges	2,460.6	2,046.9
<b>Total</b>	<b>5,386.2</b>	<b>4,428.8</b>

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 23: Income Tax Expense**

Particulars	31 March 2017	31 March 2016
<b>(a) Income tax expense</b>		
Current tax		
Current tax on profits for the year	216.9	72.1
Total current tax expense	216.9	72.1
Deferred tax		
Decrease (increase) in deferred tax assets	75.7	122.5
<b>Total deferred tax expense/(benefit)</b>	<b>75.7</b>	<b>122.5</b>
<b>Income tax expense</b>	<b>292.6</b>	<b>194.6</b>

**(b) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**

Particulars	31 March 2017	31 March 2016
(Loss)/Profit from continuing operations before income tax expense	(543.3)	733.2
<b>Tax at the Indian tax rate of 34.608%</b>	<b>(188.0)</b>	<b>253.7</b>
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Corporate Social responsibility expenditure	34.4	20.5
Dividend	(112.0)	(450.9)
Dividend distribution tax on NCCRP	216.9	72.1
Interest on NCCRP (earlier commercial paper interest)	368.7	122.6
Lease deposit - expense	(26.1)	(11.5)
Reversal of goodwill	-	-
Employee share based payment expense as per Ind AS	-	184.0
<b>Other Items</b>	<b>(1.3)</b>	<b>4.1</b>
<b>Income tax expense</b>	<b>292.6</b>	<b>194.6</b>

**Note 24: Capital management****24 (a): Risk management**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet). Total capital is calculated as 'equity' as shown in the balance sheet plus debt.

During the periods presented, the Company's strategy has been unchanged. The credit rating was unchanged and the gearing ratios as at the period ends were as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Debt	35,350.3	34,836.7	15,197.0
Total equity	115,987.9	116,859.8	116,371.9
<b>Debt to equity ratio</b>	<b>30.5%</b>	<b>29.8%</b>	<b>13.1%</b>

**Loan Covenants**

Not applicable, since the company does not have covenants under the facilities availed.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**24 (b): Proposed Dividends**

Particulars	31 March 2017	31 March 2016
<b>Equity shares</b>		
Final dividend paid during the year INR 0.375 per fully paid share (31 March 2016 of INR 0.375 per fully paid share)	1,374.3	1,364.1
<b>Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.375 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,375.3	1,372.1

**Note 25: Contingent liabilities****Contingent liabilities**

Particulars	31 March 2017	31 March 2016	1 April 2015
Claims against the Company not acknowledged as debts			
Demand from Bombay Electric Supply and Transport for electricity charges	19.6	19.6	19.6
Disputed claims made by clients	69.2	34.6	23.2
Disputed Labour law suits		-	3.0
Disputed Income tax demands	652.7	2,270.7	1,407.0
Disputed Service Tax Demands	252.1	275.9	276.2
Guarantees given to Banks and others on behalf of Subsidiaries	28,015.0	32,450.0	-
Disputed demand for Increase in rent raised by Brihanmumbai Municipal Corporation	671.8	630.5	589.2

- (a) It is not practicable for the Company to estimate the timing of cash flows, if any, in respect of the above pending resolution of the respective proceedings.
- (b) The Company does not expect any reimbursement in respect of the above contingent liabilities.

**Note 26: Commitments****(a) Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Estimated value of contracts on capital account remaining to be executed	113.3	89.6	10,110.0

**(b) Non-cancellable operating leases**

The company leases various offices, warehouses and retail stores under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Particulars	31 March 2017	31 March 2016	1 April 2015
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	19.3	81.1	36.9
Later than one year but not later than five years	-	92.4	-
Later than five years	-	-	-
Total	19.3	173.5	36.9

**Rental expense relating to operating leases**

Particulars	31 March 2017	31 March 2016
Minimum lease payments	5,754.3	6,370.1
Total rental expense relating to operating leases	5,754.3	6,370.1

The above lease payments include lease arrangements entered into with airport authorities for operating foreign exchange counters at airports. Such arrangements include lease payments in the form of minimum guarantee fees and/or payments based on a percentage of revenue achieved through the counters, or both.



# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(c) Financing leases:**

Particulars	31 March 2017	31 March 2016
(i) Minimum Lease Payments payable		
Not later than one year	154.0	114.3
Later than one year but not later than five years	344.7	286.1
	498.7	400.4
(ii) Present Value of Minimum Lease Payments payable		
Not later than one year	109.8	78.2
Later than one year but not later than five years	296.0	237.8
	405.8	316.0
(iii) Reconciliation of Minimum Lease Payments and their Present Value		
Minimum Lease Payments Payable as per (i) above	498.7	400.4
Less: Finance Charges to be recognised in subsequent years	92.9	84.4
Present Value of Minimum Lease Payments payable as per (ii) above	405.8	316.0
(iv) Finance Charges recognised in the Statement of Profit and Loss	47.0	36.3

**Note 27: Events occurring after the reporting period****(i) Declaration of final dividend**

Refer to note 24 (b) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

**Note 28: Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified Bank Notes*	Other Denomination notes & coins	Total
<b>Closing cash in hand as on November 8, 2016</b>	1,157.0	226.3	1,383.3
(+) Permitted receipts	-	8,412.3	8,412.3
(-) Permitted payments	-	5,190.9	5,190.9
(-) Amount deposited in Banks	1,157.0	3,135.9	4,292.9
<b>Closing cash in hand as on December 30, 2016</b>	-	311.8	311.8

\* For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 29: Fair value measurements****Financial instruments by category**

Particulars	31 March 2017			31 March 2016			1 April 2015		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Equity instruments - Investment	9.6	-	-	9.6	-	-	9.6	-	-
Mutual funds	-	-	-	-	-	-	12,506.4	-	-
Security Deposits	-	-	3,779.8	-	-	3,869.9	-	-	3,614.6
Deposits with banks with more than 12 months maturity	-	-	1,683.9	-	-	1,644.4	-	-	147.6
Trade receivable	-	-	21,915.7	-	-	18,930.8	-	-	21,610.3
Cash and cash equivalents	-	-	43,378.1	-	-	50,545.2	-	-	13,174.2
Others	-	-	4,562.4	-	-	4,465.1	-	-	10,038.9
<b>Total financial assets</b>	<b>9.6</b>	<b>-</b>	<b>75,319.9</b>	<b>9.6</b>	<b>-</b>	<b>79,455.4</b>	<b>12,516.0</b>	<b>-</b>	<b>48,585.6</b>
<b>Financial liabilities</b>									
Borrowings	-	-	35,350.3	-	-	34,836.7	-	-	15,197.0
Trade Payable	-	-	44,407.7	-	-	53,951.1	-	-	22,847.4
Payable to related parties	-	-	-	-	-	-	-	-	117.0
<b>Others</b>	<b>-</b>	<b>-</b>	<b>5,869.3</b>	<b>-</b>	<b>-</b>	<b>5,820.7</b>	<b>-</b>	<b>-</b>	<b>4,534.8</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>85,627.3</b>	<b>-</b>	<b>-</b>	<b>94,608.5</b>	<b>-</b>	<b>-</b>	<b>42,696.2</b>

**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2017	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial investments at FVPL				
JIK Industries Limited	*	-	-	-
Weizmann Limited	*	-	-	-
Karma Energy Limited	*	-	-	-
Weizmann Forex Limited	*	-	-	-
Visa Inc	-	9.6	-	9.6
<b>Total Financial Assets</b>	<b>-</b>	<b>9.6</b>	<b>-</b>	<b>9.6</b>
Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2017	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security Deposits	-	3,779.8	-	-
<b>Total Financial Assets</b>	<b>-</b>	<b>3,779.8</b>	<b>-</b>	<b>-</b>
Borrowings	-	35,350.3	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>35,350.3</b>	<b>-</b>	<b>-</b>

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 March 2016	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial investments at FVPL				
JIK Industries Limited	*	-	-	-
Weizmann Limited	*	-	-	-
Karma Energy Limited	*	-	-	-
Weizmann Forex Limited	*	-	-	-
Visa Inc	-	9.6	-	9.6
<b>Total Financial Assets</b>	<b>-</b>	<b>9.6</b>	<b>-</b>	<b>9.6</b>
Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2016	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security Deposits	-	3,869.9	-	3,869.9
<b>Total Financial Assets</b>	<b>-</b>	<b>3,869.9</b>	<b>-</b>	<b>3,869.9</b>
Borrowings	-	34,836.7	-	34,836.7
<b>Total Financial Liabilities</b>	<b>-</b>	<b>34,836.7</b>	<b>-</b>	<b>34,836.7</b>
Financial assets and liabilities measured at fair value - recurring fair value measurements as at 1 April 2015	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial investments at FVPL				
JIK Industries Limited	*	-	-	-
Weizmann Limited	*	-	-	-
Karma Energy Limited	*	-	-	-
Weizmann Forex Limited	*	-	-	-
Visa Inc	-	9.6	-	9.6
Investment in mutual fund (quoted)	12,506.4	-	-	12,506.4
<b>Total Financial Assets</b>	<b>12,506.4</b>	<b>9.6</b>	<b>-</b>	<b>12,516.0</b>
Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 1 April 2015	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security Deposits	-	3,614.6	-	-
<b>Total Financial Assets</b>	<b>-</b>	<b>3,614.6</b>	<b>-</b>	<b>-</b>
Borrowings	-	15,197.0	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>15,197.0</b>	<b>-</b>	<b>-</b>

\* Amount is below the rounding off norm adopted by the Company.

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- the foreign exchange forward contracts are marked to market using forward FEDAI rates pertaining to the date of maturity of the contract at the balance sheet date.
- Discount rates to fair value of financial assets and liabilities at amortised cost is based on general lending rate.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(iii) Fair value of financial assets and liabilities measured at amortised cost**

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Security Deposits	3,779.8	3,814.1	3,869.9	3,889.9	3,614.6	3,614.6
<b>Financial liabilities</b>						
Non current Borrowings	26,073.8	30,614.3	29,324.7	33,447.8	10,088.8	13,201.0

The carrying amounts of Accrued revenue, insurance claim receivable, advance to related parties, current borrowings, trade payables, trade receivable, other financial liabilities, cash and cash equivalents and other bank balances are considered to be the same as their fair values due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Note 30: Financial risk management**

The Company's activities expose it to credit risk, market risk and liquidity risk.

The company' has an overall Enterprise Risk Management policy, approved by the Audit Committee of the Board of Directors. Risks are managed by the individual Business Units, or the Support Services' unit, entering into the base transactions, which give rise to the risks. The Executive Committee (comprising the Chairman & Managing Director, the Chief Financial Officer, and the Heads of the Business Units and Support Services' units) has the overall responsibility for the risk management framework and its effectiveness, with the respective Heads of Business Units/ Support Services' units, being responsible for its implementation and day-to- day monitoring.

**(A) Credit Risk**

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, analysis of historical bad debts and ageing of accounts receivable as of different reporting periods.

Analysis of Trade receivables ageing of last 4 years

Particulars	Less than 1 year	More than 1 year	Total
31 March 2017	22,599.1	398.2	22,997.3
31 March 2016	18,597.5	1,351.4	19,948.9
31 March 2015	21,566.1	1,082.3	22,648.4
Monday, March 31, 2014	24,575.2	1,579.8	26,155.0

**Reconciliation of loss allowance provision – Trade receivables**

Reconciliation of loss allowance	Amount
<b>Loss allowance on 1 April 2015</b>	1,038.1
Changes in loss allowance	(20.0)
<b>Loss allowance on 31 March 2016</b>	1,018.1
Changes in loss allowance	63.5
<b>Loss allowance on 31 March 2017</b>	1,081.6

**(B) Market risk****(i) Foreign currency risk**

The Company enters into foreign currency transactions in the Foreign Exchange and Leisure Travel Outbound businesses. The currency risk arising out of foreign currency transactions in the Foreign Exchange business is monitored by a central dealing room, which then hedges the positions transactions entered into at individual locations across the country, through deals in the interbank market, or through forward contracts, thereby ensuring that there are minimal open positions. In the Leisure Travel Outbound business, package prices are denominated partly in the functional currency of the Company, Indian Rupees (INR), and partly in foreign currencies. The portion of customer collection in foreign currencies, which is parked in Nostro bank accounts, is used to pay off vendor liabilities, denominated in foreign currencies, thereby creating a natural hedge. As a result, the risk related to foreign currency exchange rate fluctuation is insignificant.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(a) Foreign currency risk exposure:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	31 March 2017				31 March 2016				1 April 2015			
	EUR	GBP	USD	Others	EUR	GBP	USD	Others	EUR	GBP	USD	Others
Cash and cash equivalents	539.4	1,109.2	10,427.3	2,304.8	(757.2)	(1,132.9)	3,810.9	(157.7)	2,132.4	1,740.4	4,963.4	1,442.9
Other financial assets	889.1	15.7	3,521.4	2,416.3	935.7	24.7	4,163.9	2,746.6	613.8	4.2	2,772.0	1,096.1
Trade payables and other financial liabilities	(9,839.3)	(4,443.7)	(21,151.4)	(7,533.7)	(8,107.3)	(4,334.4)	(21,215.2)	(7,008.8)	(1,632.5)	(1,026.5)	(6,042.1)	(1,920.8)
<b>Gross Exposure</b>	(8,410.8)	(3,318.8)	(7,202.7)	(2,812.6)	(7,928.8)	(5,442.6)	(13,240.4)	(4,419.9)	1,113.7	718.1	1,693.3	618.2
Forward contracts	8,641.7	3,448.7	7,050.2	3,379.2	7,928.8	5,442.6	13,240.4	4,419.9	(1,113.7)	(718.1)	(1,693.3)	(618.2)
<b>Net Exposure</b>	230.9	129.9	(152.5)	566.6	-	-	-	-	-	-	-	-

**(b) Sensitivity:**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts

Particulars	Impact on profit after tax			
	31 March 2017		31 March 2016	
	Strengthening	Weakening	Strengthening	Weakening
<b>Effect in INR 1% movement</b>				
EUR	160.0	(160.0)	-	-
GBP	105.1	(105.1)	-	-
USD	(98.9)	98.9	-	-

\*Holding all other variables constant

**(B) Market risk****(ii) Interest Rate risk exposure**

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Variable rate borrowings	5,832.6	2,100.5	5,030.1

As at the end of the reporting period, the company had the following variable rate borrowings:

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank overdrafts	9.5%	5,832.6	18.3%	10.0%	2,100.5	6.0%	10.2%	5,030.1	33.1%
Net exposure to cash flow interest rate risk		5,832.6			2,100.5			5,030.1	

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Changes in interest rate are based on historical movement.

Particulars	Impact on profit after tax	
	31 March 2017	31 March 2016
Interest rates - increase by 100 basis points *	(34.3)	(23.4)
Interest rates - decrease by 100 basis points *	34.3	23.4

\* Holding all other variables constant

## (iii) Price Risk

### Exposure

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. Since the company does not have material equity investments, the company does not have a material price risk exposure as of reporting period.

## (C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining sufficient cash and bank balances available to meet the working capital requirements. Management monitors rolling forecasts of the company's liquidity position (comprising the unused cash and bank balances along with temporary investments in fixed deposits and/or liquid mutual funds) on the basis of expected cash flows.

### (i) Financing arrangements

Particulars	31 March 2017	31 March 2016	1 April 2015
Floating rate			
-expiring within one year (bank overdraft)	5,832.6	2,100.5	5,030.1
	5,832.6	2,100.5	5,030.1

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

### (ii) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	< 1 year	Between 1 and 2 years	> 2 years	Total
<b>31 March 2017</b>				
Borrowings	9,251.8	6,760.7	19,337.8	35,350.3
Trade payables	44,407.7	-	-	44,407.7
Other financial liabilities	5,704.0	67.3	98.0	5,869.3
<b>Total liabilities</b>	<b>59,363.5</b>	<b>6,828.0</b>	<b>19,435.8</b>	<b>85,627.3</b>
Contractual maturities of financial liabilities	< 1 year	Between 1 and 2 years	> 2 years	Total
<b>31 March 2016</b>				
Borrowings	5,487.3	3,385.4	25,964.0	34,836.7
Trade payables	53,951.1	-	-	53,951.1
Other financial liabilities	5,564.2	91.3	165.2	5,820.7
<b>Total liabilities</b>	<b>65,002.6</b>	<b>3,476.7</b>	<b>26,129.2</b>	<b>94,608.5</b>



## Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Contractual maturities of financial liabilities	< 1 year	Between 1 and 2 years	> 2 years	Total
<b>1 April 2015</b>				
Borrowings	5,095.4	3,369.3	6,732.3	15,197.0
Trade payables	22,847.4	-	-	22,847.4
Payable to related parties	117.0	-	-	117.0
Other financial liabilities	4,534.8	-	-	4,534.8
<b>Total liabilities</b>	<b>32,594.6</b>	<b>3,369.3</b>	<b>6,732.3</b>	<b>42,696.2</b>

### Note 31: Related Party Transactions

#### (a) Parent Entities

The Company is controlled by the following entity:

Name	Type	Place of Incorporation	Ownership Interest (%)		
			31 March 2017	31 March 2016	31 March 2015
Fairbridge Capital (Mauritius) Limited, Mauritius ("FCML") (FCML is wholly owned and controlled by Fairfax Financial Holdings Limited, Canada, the ultimate holding company)	Parent entity	Mauritius	67.7%	67.8%	45.0%

#### (b) Name of the related party and related party relationship

Name of Entity	Place of Business/ country of incorporation	Relationship
Travel Corporation (India) Limited	India	Subsidiary
TC Visa Services (India) Ltd *	India	Subsidiary
Horizon Travel Holdings (Singapore) Private Limited*	Singapore	Subsidiary
Travel Circle International Ltd. (formerly known as Luxe Asia Travel (China) Limited)*	HongKong	Subsidiary
SOTC Travel Services Private Limited (SOTC) (Formerly known as 'Kuoni Travel (India) Private Limited')	India	Subsidiary
SITA Incoming (India) Private Limited @@	India	Subsidiary
SITA Holiday Resorts Private limited @@	India	Subsidiary
SITA Holidays (India) Private Limited @@	India	Subsidiary
SITA Destination Management Private Limited @@	India	Subsidiary
SITA Beach Resorts Private Limited @@	India	Subsidiary
SITA Travels and Tours Private Limited @@	India	Subsidiary
SOTC Travel Management Pvt. Ltd. (formerly known as Sita Travels & Tours Pvt. Ltd.) @@	India	Subsidiary
Distant Frontiers Tours Private Limited @@	India	Subsidiary
KAT Management Consulting (Shanghai) Co. Ltd. @@	China	Subsidiary
SITA World Travel Lanka (Pvt) Limited @@	Sri Lanka	Subsidiary
SITA World Travel (Nepal) Private Limited @@	Nepal	Subsidiary
Sterling Holiday Resorts Limited (SHRL) (formerly known as "Thomas Cook Insurance Services (India) Limited")	India	Subsidiary
Sterling Holidays (Ooty) Limited ##	India	Subsidiary
Sterling Holidays Resorts (Kodaikannal) Limited ##	India	Subsidiary
Nature Trails Resorts Private Limited ##	India	Subsidiary
Qess Corp Limited (Qess)	India	Subsidiary
MXF Infotech Private Limited @	India	Subsidiary
Co-Achieve Solutions Private Limited @	India	Subsidiary
Aravon Services Private Limited (formerly known as "ARAMARK India Private Limited")@	India	Subsidiary

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Name of Entity	Place of Business/ country of incorporation	Relationship
Dependo Logistics Solutions Private Limited @	India	Subsidiary
Centreq Business Services Private Limited @	India	Subsidiary
Excelus Learning Solutions Private Limited @	India	Subsidiary
Inticore VJP Advance Systems Private Limited @	India	Subsidiary
Quess Corp(USA) Inc @	USA	Subsidiary
Quessglobal (Malaysia) SDN.BHD (incorporated during the year) @	Malaysia	Subsidiary
Corntel Solutions Pte Limited	Singapore	Subsidiary
Quess (Philippines) Corp (formerly known as "Magna Ikya Infotech Inc") @	Philippines	Subsidiary
Quesscorp Holdings PTE. LTD @	Singapore	Subsidiary
Ikya Business Services (Private) Limited @	Sri Lanka	Subsidiary
Brainhunter Systems Limited @	Canada	Subsidiary
Quessglobal (Malaysia) SDN.BHD @	Malaysia	Subsidiary
MFXchange Holdings Inc @	Canada	Subsidiary
Quess Corp Lanka (Private) Limited @	Sri Lanka	Subsidiary
Comtel Solutions Pte. Limited @	Singapore	Subsidiary
Mindwire Systems Limited @	Canada	Subsidiary
Brainhunter Companies LLC @	USA	Subsidiary
MFXchange (Ireland) Limited @	Ireland	Subsidiary
MFXchange Inc @	USA	Subsidiary
Thomas Cook (Mauritius) Holding Company Limited	Mauritius	Subsidiary
Thomas Cook (Mauritius) Operations Company Limited #	Mauritius	Subsidiary
Thomas Cook (Mauritius) Holidays Limited #	Mauritius	Subsidiary
Thomas Cook (Mauritius) Travel Limited # (Up to 28 December 2015)	Mauritius	Subsidiary
Thomas Cook Lanka (Private) Limited	Sri-Lanka	Subsidiary
Luxe Asia Private Limited (w.e.f 1 August 2015)	Sri-Lanka	Subsidiary
TC Tours Limited (Formerly Known as Thomas Cook Tours Limited)	India	Subsidiary
SOTC Travel Pvt Ltd (Formerly known as SITA Travels Private Limited) @@	India	Subsidiary
Jardin Travel Solutions Limited (w.e.f 1 September 2015)	India	Subsidiary
Borderless Travel Services Limited (w.e.f 25 August 2015)	India	Subsidiary
Indian Horizon Marketing Services Limited (Formerly Known as "Indian Horizon Travel & Tours Limited")	India	Subsidiary
Styracorp Management Services (Sole proprietorship firm)	Dubai	Sole proprietorship firm (Quess Group)
IME Consultancy (sole proprietorship)	Dubai	Sole proprietorship firm (Quess Group)
Terrier Security Services (India) Private Limited ^	India	Associate Company
Simpliance Technologies Private Limited ^	India	Associate Company
Himmer Industrial Services (M) Sdn. Bhd. ^	Malaysia	Associate Company

@ These Companies are subsidiaries of Quess Corp Limited and step down subsidiaries of Thomas Cook (India) Limited

@@ These Companies are subsidiaries of SOTC Travel Services Private Limited and step down subsidiaries of Thomas Cook (India) Limited

## These Companies are subsidiaries of Sterling Holiday Resorts Limited and step down subsidiaries of Thomas Cook (India) Limited

# These Companies are subsidiaries of Thomas Cook (Mauritius) Holding Company Limited and step down subsidiaries of Thomas Cook (India) Limited

\* These Companies are subsidiaries of Travel Corporation (India) Limited and step down subsidiaries of Thomas Cook (India) Limited

^ These Companies are Associate Companies of Quess Corp Limited

## Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

(c) **Other Related Parties with whom the Company had transactions during the year / period**

**Fellow subsidiaries:**

- HWIC Asia Fund

(d) **Key Management personnel**

Madhavan Menon	Mahendra Kumar Sharma (upto December 31, 2015)
Mahesh Iyer	Uday Khanna (upto September 1, 2015)
R. R. Kenkare	Kishori Udeshi
Debasis Nandy	Krishnan Ramchandran
Rajeev Kale	Ramesh Savoor
Amit Madhan	Nilesh Vikamsey (w.e.f. December 23, 2015)
Mona Cheriyan	Sunil Mathur (w.e.f. December 23, 2015)
Abraham Alapatt	Pravir Vohra (w.e.f. April 10, 2015)

Amit Parekh

Relatives of key management personnel: Lili Menon

(e) **Key Management personnel compensation**

Particulars	31 March 2017	31 March 2016
Short-term employee benefits*	1,648.8	1,750.9
Post-employment benefits	**	**
Long-term employee benefits	-	-
Employee share-based payment	**	**

\* Includes the commission paid to non-executive director

\*\* These amounts are included in the respective notes specifying the total amount of benefits paid.

(f) **Transactions with related parties**

The following transactions occurred with related parties:

Nature of transaction	31 March 2017	31 March 2016
<b>(i) Ultimate Holding Company</b>		
<b>Reimbursement of Expenses (Net)</b>		
Fairfax Financial Holdings Limited	112.0	90.9
<b>Balances as at the year / period end - Outstanding Receivables</b>		
<b>(ii) Holding Company</b>		
<b>Reimbursement of Expenses (Net)</b>		
Fairbridge Capital (Mauritius) Limited	-	13.7
<b>Dividend remitted</b>		
Fairbridge Capital (Mauritius) Limited	930.6	1,019.6
<b>(iii) Subsidiary Companies</b>		
<b>Subscription of Equity Share Capital</b>		
SOTC Travel Services Private Limited (formerly known as 'Kuoni Travel (India) Private Limited')	1.0	18,100.0
TC Tours Limited	-	295.0
Jardin Travel Solutions Limited	-	0.5
Borderless Travel Services Limited	-	0.5
Thomas Cook Lanka (Private) Limited (In lieu of Advance made in previous years)	-	269.3
<b>Sale of Equity Share</b>		
1 equity share of Travel Corporation (India) Limited to Sterling Holidays Resorts Limited (formerly known as Thomas Cook Insurance Services (India) Limited)	-	0.0

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Nature of transaction	31 March 2017	31 March 2016
<b>Reimbursement of Expenses (Net)</b>		
Travel Corporation (India) Limited	240.6	274.2
Indian Horizon Marketing Services Limited (formerly known as 'Indian Horizon Travel and Tours Limited')	-	2.5
TC Tours Limited	-	102.7
Thomas Cook (Mauritius) Operations Company Limited	0.6	20.2
TC Visa Services (India) Limited	7.0	131.8
Thomas Cook Lanka (Private) Limited	6.0	34.2
Jardin Travel Solutions Limited	0.4	3.1
Borderless Travel Services Limited	0.4	3.1
SOTC Travel Services Private Limited	366.8	4.8
Qess Corp Limited	70.6	53.3
Travel Circle International Ltd (Formerly Kuoni Travel (China) Limited)	165.8	-
Sterling Holiday Resorts Limited (formerly known as 'Thomas Cook Insurance Services (India) Limited')	-	45.0
<b>Consultancy Income</b>		
Sterling Holiday Resorts Limited (formerly known as 'Thomas Cook Insurance Services (India) Limited')	36.2	371.3
<b>Sale of Services</b>		
Thomas Cook (Mauritius) Holidays Limited	19.9	37.2
Qess Corp Limited	202.7	280.7
Travel Corporation (India) Limited	431.5	168.5
SOTC Travel Services Private Limited	4,553.6	-
<b>Facilities and Support Services Provided</b>		
TC Visa Services (India) Limited	14.7	14.7
Qess Corp Limited	-	43.5
Sterling Holiday Resorts Limited (formerly known as 'Thomas Cook Insurance Services (India) Limited')	2.2	23.0
TC Tours Limited	619.5	328.0
<b>Facilities and Support Services Received</b>		
TC Visa Services (India) Limited	15.2	15.9
Sterling Holiday Resorts Limited (formerly known as 'Thomas Cook Insurance Services (India) Limited')	24.0	-
<b>Services Availed #</b>		
Thomas Cook (Mauritius) Holidays Limited	691.1	726.5
TC Tours Limited	154,779.0	83,682.3
Indian Horizon Marketing Services Limited (formerly known as 'Indian Horizon Travel and Tours Limited')	3.6	-
TC Visa Services (India) Limited	716.5	435.3
Luxe Asia Private Limited (w.e.f. August 1, 2015)	301.3	-
SOTC Travel Services Private Limited	46.2	-
Sterling Holiday Resorts Limited (formerly known as 'Thomas Cook Insurance Services (India) Limited')	87.1	190.7
<b>Other professional charges (Outsourced staff)</b>		
Qess Corp Limited	709.2	965.6
CoAchieve Solutions Private Limited	11.9	2.3
<b>Data processing fees</b>		
Travel Circle International Ltd (Formerly Kuoni Travel (China) Limited)	46.9	-
<b>Corporate Guarantee Fees</b>		
Travel Corporation (India) Limited	12.5	6.0
Travel Circle International Ltd (Formerly Kuoni Travel (China) Limited)	145.9	4.8
SOTC Travel Services Private Limited	17.7	4.5
Luxe Asia Travel China Limited (formerly known as 'Horizon Travel Holdings (Hongkong) Private Limited')	-	60.6

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Nature of transaction	31 March 2017	31 March 2016
<b>Directors deposit fees paid</b>		
SOTC Travel Services Private Limited	6.0	-
<b>ESOP Push Down</b>		
Travel Corporation (India) Limited	(16.9)	(79.9)
TC Visa Services Limited	3.7	3.3
Sterling Holiday Resort Limited	201.0	286.0
TC Tours Limited	12.0	-
SOTC Travel Services Limited	171.3	-
<b>Interest on Loan Received</b>		
Travel Corporation (India) Limited	-	11.2
<b>Loan Given to Subsidiary</b>		
Travel Corporation (India) Limited	-	2,650.0
<b>Repayment of Loan from Subsidiary</b>		
Travel Corporation (India) Limited	-	2,650.0
<b>Interim Dividend Received</b>		
Travel Corporation (India) Limited	-	685.9
<b>(iv) Fellow subsidiaries</b>		
<b>Reimbursement of Expenses (Net)</b>		
Fairbridge Capital Private Limited	3.7	-
<b>Subscription to NCCRPS</b>		
HWIC Asia Fund	-	12,500.0
<b>Dividend remitted</b>		
HWIC Asia Fund	1,065.4	-
*Sale value of transactions		
# Purchase value of transactions		
<b>(v) Key Management Personnel</b>		
<b>Remuneration</b>		
Madhavan Menon	516.0	486.8
Mahesh Iyer	178.0	174.2
R. R. Kenkare	171.5	204.5
Debasis Nandy	169.9	192.8
Rajeev Kale	132.0	176.2
Amit Madhan	134.2	150.4
Mona Cheriyan	167.6	162.5
Abraham Alapatt	139.6	186.5
Amit Parekh	40.0	5.9
@ Gratuity is contributed for the Company as a whole and hence excluded.		
<b>Commission to Non-Executive Director</b>		
Mahendra Kumar Sharma (upto December 31, 2015)	-	2.3
Uday Khanna (upto September 1, 2015)	-	1.3
Kishori Udeshi	-	3.0
Krishnan Ramchandran	-	-
Ramesh Savoor	-	-
Nilesh Vikamsey (w.e.f. December 23, 2015)	-	0.8
Sunil Mathur (w.e.f. December 23, 2015)	-	0.8
Pravir Vohra (w.e.f. April 10, 2015)	-	2.9
<b>Sitting fees to Non-Executive Director</b>		
Mrs. Kishori Udeshi	8.3	11.7
Mr. Nilesh S. Vikamsey	6.5	2.5

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Nature of transaction	31 March 2017	31 March 2016
Mr. Sunil B. Mathur	6.1	2.1
Mr. Mahendra Kumar Sharma	-	9.4
Mr. Uday Chander Khanna	-	2.9
Mr. Pravir Vohra	6.6	9.0
<b>(vi) Relatives of key management Personnel</b>		
<b>Rent Expense</b>		
Lili Menon	19.3	19.3
<b>Balances as at the year end</b>		
<b>Deposit Receivable</b>		
Lili Menon	165.0	165.0

**(g) Outstanding balances**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Outstanding payables</b>			
TC Tours Limited	161.1	5,294.6	-
Thomas Cook (Mauritius) Holidays Limited	82.2	73.9	26.6
TC Visa Services (India) Limited	143.6	37.9	108.4
Travel Corporation (India) Limited	-	-	117.0
Qess Corp Limited	97.7	110.9	140.5
Co Achieve Solutions Private Limited	-	0.3	0.7
<b>Interest on Loans and Advances Payable</b>			
Travel Corporation (India) Limited	-	-	116.9
<b>Total payables to related parties</b>	<b>484.6</b>	<b>5,517.6</b>	<b>510.1</b>

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Trade receivables</b>			
Indian Horizon Marketing Services Limited (formerly known as 'Indian Horizon Travel and Tours Limited')	21.0	3.8	-
TC Tours Limited	30.2	-	0.5
Thomas Cook (Mauritius) Operations Company Limited	0.1	61.2	38.3
Thomas Cook (Mauritius) Holidays Limited	-	-	1.7
Thomas Cook Lanka (Private) Limited	100.2	93.4	197.6
Travel Corporation (India) Limited	197.5	26.3	9.5
Qess Corp Limited	37.7	49.9	21.9
Sterling Holiday Resorts Limited (formerly known as 'Thomas Cook Insurance Services (India) Limited')	229.6	1,128.8	9.4
Jardin Travel Solutions Limited	3.5	3.1	-
Borderless Travel Services Limited	3.5	3.1	-
Luxe Asia Travel China Limited (formerly known as 'Horizon Travel Holding (Hongkong) Private Limited')	-	68.9	-
Travel Circle International Ltd (Formerly Kuoni Travel (China) Limited)	254.0	4.8	-
SOTC Travel Services Private Limited	345.7	10.2	-
Fairfax Financial Holdings Limited	94.2	35.0	37.3
Advance against Investment in Thomas Cook Lanka (Private) Limited	-	-	316.6
Interim dividend receivable			
Travel Corporation India Limited	-	-	63.7
<b>Total receivables to related parties</b>	<b>1,317.2</b>	<b>1,488.5</b>	<b>696.5</b>



# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(h) Loans to/from related parties**

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Loan to subsidiaries</b>			
Beginning of the year	-	-	-
Loans Advanced	-	2,650.0	-
Loan repayment received	-	2,650.0	-
Interest charged	-	-	-
Interest Received	-	11.2	-
End of the year	-	-	-

**Note 32: Share based payments****Employee option plan/ Tradable Options****Thomas Cook Employees Stock Option Plan -2007**

The Company has established an Employee Stock Option Plan called -"Thomas Cook Employees Stock Option Plan - 2007". The same has been approved by a Special Resolution passed by the Shareholders by a Postal Ballot on March 23, 2007. The Scheme is in accordance with the provisions of Securities and Exchange Board of India (SEBI)- (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines ,1999. The exercise price is as governed by the guidelines issued by SEBI.

The objectives of this plan are :

- Motivate talent in the organization with a view to achieve long term business goals.
- Retain key talent in the organization
- Foster ownership and motivation.

The grant of options to employees under the stock option scheme is on the basis of their performance and other eligibility criteria. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The unvested options shall vest with the participant in 3 equal annual instalments on each of the anniversaries from the Grant Date.

**Thomas Cook Save As You Earn (SAYE) -2010**

Further to the Thomas Cook Employees Stock Option Plan - 2007, the Company has established a Thomas Cook Save As You Earn (SAYE), Scheme - 2010. The SAYE scheme has been approved by a Special Resolution passed on December 14, 2010. SAYE is a Monthly Savings Contribution Scheme available to all employees of Thomas Cook (India) Limited and its subsidiaries provided that they have completed at least 6 months in the organization.

The objectives of the SAYE Scheme -2010 are same as Thomas Cook Employees Stock Option Plan -2007.

SAYE allows employees to save a part of their net pay every month which gets deposited with a bank in a recurring deposit account carrying fixed rate of interest. At the end of 3 years, employees have the option to either purchase specific number of equity shares of Thomas Cook (India) Limited at the predetermined exercise price or withdraw the monthly savings contributions along with interest accrued. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The maximum number of options granted per participant per grant will not exceed 200,000 (Two Hundred Thousand) equity shares. The maximum number of equity shares that may be issued / transferred pursuant to the exercise of options granted under the SAYE scheme shall not exceed 3,000,000 (Three Million) equity shares.

Vesting under the scheme is linked to the continued association with the Group. The options would vest only when an employee has completed the committed 36 monthly contributions. The exercise period would not be more than one month from the date of vesting.

**Thomas Cook Employees Stock Option Plan -2013**

The Company has established an Employee Stock Option Plan called -"Thomas Cook Employees Stock Option Plan - 2013". The same has been approved by a Special Resolution passed by the Shareholders by a Postal Ballot on October 25, 2013. The Scheme is in accordance with the provisions of Securities and Exchange Board of India (SEBI) - (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999. The exercise price is in accordance with the guidelines issued by SEBI.

The objectives of this plan are:

- to reward the Senior Employees of the Company for their performance
- to motivate them to contribute to the growth and profitability of the Company and
- to retain talent in the organization

## Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

The grant of options to employees under the stock option scheme is on the basis of their performance and other eligibility criteria. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The unvested options shall vest with the participant after 4 years but not later than 7 years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and certain performance parameters. The attainment of such performance parameters would be a mandatory condition for vesting of options as determined by the Recruitment & Remuneration Committee from time to time.

### Sterling Holiday Resorts (India) Limited Employee Stock Options Scheme 2012 - ("SHRIL ESOS 2012")

The purpose of the ESOS is to provide the employees with an additional incentive in the form of Options to receive the equity shares of the Company at a future date. The ESOS is aimed at further motivating and retaining the employees and thereby increasing the profitability of the Company.

Vesting Schedule :

Grant I dated 24th January 2013 :

Each option will entitle the participant to one equity share. The unvested options shall vest with the participant in 3 tranches which is 40%, 30%, 30% on each of the anniversaries from the Grant Date.

Grant II dated 30th July 2014 :

Each option will entitle the participant to one equity share. The unvested options shall vest with the participant in 4 tranches which is 25%, 25%, 25%, 25% on each of the anniversaries from the Grant Date.

Grant Date means the date on which the Options are granted to the eligible employees by the Company/Committee under the Scheme.

Exercise Price :

Exercise price shall not be less than the par value of the Equity Shares of the Company and shall not be more than the price prescribed under Chapter VII of SEBI ICDR Regulation 2009 or the Market price (as defined in the Guidelines), whichever is more.

- The Exercise price of INR 96.00 for Grant I was fixed by the Board of Directors of Sterling Holiday Resorts (India) Limited at its meeting held on 24th January 2013.
- The Exercise price of INR 130.15 for Grant II was fixed by the Board of Directors of Sterling Holiday Resorts (India) Limited at its meeting held on 30th July 2014.
- As per clause 15.3.2 of the Composite Scheme of Arrangement and Amalgamation between Sterling Holiday Resorts (India) Ltd. (SHRIL) and Thomas Cook Insurance Services (India) Ltd (TCISIL), and Thomas Cook (India) Ltd. (TCIL) the SHRIL ESOS 2012 became a part of the company's schemes and Stock Options which had been granted but not exercised as of the Record Date, by such SHRIL employees shall lapse and in lieu of the Lapsed Options of SHRIL, TCIL shall grant 120 options for every 100 options of SHRIL. The revised Exercise Price for Grant I was INR 80.00 and for Grant II was INR 108.46. Subject to the terms of the Scheme and SEBI ESOP Guidelines, the option holder will have a period of 5 years from the date of which the Options have vested, within which the vested options can be exercised.

### The details pertaining to number of options, weighted average price and assumptions considered for fair value are disclosed below:

Particulars	31 March 2017		31 March 2016	
	Weighted Average Exercise price per share	Number of options	Weighted Average Exercise price per share	Number of options
Options outstanding at the beginning of the year	54.9	6,592,784	14.6	5,565,036
Options granted during the year	23.5	1,351,143	138.3	2,385,732
Exercised during the year	80.8	879,368	46.5	261,473
Forfeited during the year	70.5	1,254,577	33.9	1,096,511
<b>Options outstanding at the end of the year</b>	<b>40.3</b>	<b>5,809,982</b>	<b>54.9</b>	<b>6,592,784</b>
<b>Options vested and exercisable at the end of the year</b>	<b>108.5</b>	<b>776,083</b>	<b>69.0</b>	<b>966,021</b>

The average share price per share at the date of exercise of options exercised during the year ended 31 March 2017 was INR 196.41 ( 31 March 2016 - INR 210.6)

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Share options outstanding at the end of the year have the following expiry date and exercise prices.**

Grant Date	Expiry date/Expiry Year	Exercise price per share	31 March 2017	31 March 2016	1 April 2015
			Share options	Share options	Share options
July 25, 2007	July 22, 2017	61.9	34,000	239,000	239,000
July 10, 2008	July 8, 2018	77.6	40,000	290,500	290,500
March 20, 2009	March 18, 2019	30.3	11,665	23,335	64,005
February 17, 2011	February 14, 2021	47.6	-	-	41,663
September 5, 2013	September 3, 2023	49.3	237,260	446,910	727,430
August 25, 2015	August 22, 2025	165.9	1,159,042	1,552,500	-
December 5, 2013	November 29, 2037	1.0	3,091,489	3,405,507	4,202,438
November 7, 2016	November 1, 2040	1.0	802,868	-	-
October 8, 2014	October 2, 2038	1.0	229,906	229,906	-
January 24, 2013	January 22, 2021	80.0	53,262	115,326	-
July 30, 2014	July 28, 2022	108.5	150,490	289,800	-
Total			5,809,982	6,592,784	5,565,036
Weighted average remaining contractual life of options outstanding at end of year			19.9 Years	17.6 Years	20.6 Years

**Fair Value of options granted**

The fair value at grant date is determined using the Black-Scholes Model which takes into account the exercise price, expected volatility, option's life, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The inputs for the options granted during the year ended 31 March 2017 included:

Particulars	31 March 2017	31 March 2016
Grant Date	November 7, 2016	August 25, 2015
Weighted average share price	218.6	184.4
Exercise price	1.0	165.9
Expected volatility (%)	45.3	0.4
Expected life of the options	14.0	5.5
Risk free interest rate(%)	7.1	0.1
Expected dividend (%)	0.2	0.0
Weighted average fair value as on Grant Date	213.0	102.8

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected volatility was determined based on the volatility of the equity share for the period of one year prior to issue of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

**Modification of share based payment:**

In the course of business combination effective from 18th August 2015 as per the court scheme, under which Sterling was merged with Thomas Cook Insurance services, Thomas Cook India limited had replaced the erstwhile ESOS scheme of sterling by issuing shares from its share capital. Such modification of share based payment arrangements are accounted for as per Ind AS 102.

**Expenses/shares option outstanding account arising from share based payment transactions**

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	31 March 2017	31 March 2016
Employee option Plans	778.8	1,223.6
Shares option outstanding account	3,452.4	2,688.8

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Note 33: First-time adoption of Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exemptions applied in the transition from Previous GAAP to Ind AS.

#### A.1 Ind AS optional exemptions

##### (a) Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

##### (b) Share-based payment transaction

The Company has elected not to apply Ind AS 102 Share-Based Payment, to equity instruments that vested prior to the date of transition to Ind AS.

##### (c) Investment in Subsidiaries

"Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or previous GAAP carrying amount at that date.

The Company has elected to measure its investment in subsidiaries at the previous GAAP carrying amount as its deemed cost on the transition date."

#### A2. Ind AS mandatory exceptions

##### (a) Estimates

"An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with Previous GAAP."

### B: Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### Reconciliation of Equity as at date of transition (1st April, 2015)#

Particulars	Notes to first time adoption	Restated Previous GAAP#	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6	4,816.6	27.2	4,843.8
Capital work-in-progress		32.8	-	32.8
Goodwill	6	-	446.3	446.3
Other intangible assets		926.2	-	926.2
Intangible assets under development		83.5	-	83.5
Investment in equity instruments		*	*	*
Investment in subsidiaries	2	103,315.2	195.4	103,510.6
Financial assets				
- Investments		9.6	-	9.6

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes to first time adoption	Restated Previous GAAP#	Ind AS adjustments	Ind AS
- Other financial assets	1	4,470.5	(854.5)	3,616.0
Other Non-current assets	1	1,144.2	432.8	1,577.0
Deferred tax assets (net)	13	(31.0)	482.0	451.0
<b>Total non-current assets</b>		<b>114,767.6</b>	<b>729.2</b>	<b>115,496.8</b>
<b>Current assets</b>				
Financial assets				
- Investments		12,506.4	-	12,506.4
- Trade receivables		21,610.3	-	21,610.3
- Cash and cash equivalents		13,174.2	-	13,174.2
- Bank balances other than cash and cash equivalents		3,306.9	-	3,306.9
- Other financial assets	1, 6, 11	5,871.8	1,006.4	6,878.2
Other current assets	1	11,807.4	298.1	12,105.5
<b>Total current assets</b>		<b>68,277.0</b>	<b>1,304.5</b>	<b>69,581.5</b>
<b>TOTAL ASSETS</b>		<b>183,044.6</b>	<b>2,033.7</b>	<b>185,078.3</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	6	2,727.3	486.6	3,213.9
Preference Shares		442.3	-	442.3
Other equity				
Share application money pending allotment		23.7	-	23.7
Reserves and surplus	14	110,941.6	1,750.4	112,692.0
<b>Total Equity</b>		<b>114,134.9</b>	<b>2,237.0</b>	<b>116,371.9</b>

**Reconciliation of Equity as at date of transition (1st April, 2015)#**

Particulars	Notes to first time adoption	Restated Previous GAAP#	Ind AS adjustments	Ind AS
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
- Borrowings	8	10,127.7	(38.9)	10,088.8
Provisions	4	50.7	955.2	1,005.9
Employee Benefit Obligations	6	123.7	2.4	126.1
Other non-current liabilities		85.5	-	85.5
<b>Total non-current liabilities</b>		<b>10,387.6</b>	<b>918.7</b>	<b>11,306.3</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		5,030.1	-	5,030.1
- Trade payables	6	22,847.7	(0.3)	22,847.4
- Other financial liabilities		4,729.9	-	4,729.9
Provisions	4, 12	1,649.0	(1,121.7)	527.3
Employee Benefit Payable	6	2,548.8	*	2,548.8
Current Tax Liabilities		508.3	-	508.3
Other current liabilities		21,208.3	-	21,208.3
<b>Total current liabilities</b>		<b>58,522.1</b>	<b>(1,121.9)</b>	<b>57,400.1</b>
<b>TOTAL LIABILITIES</b>		<b>68,909.7</b>	<b>(203.2)</b>	<b>68,706.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>183,044.6</b>	<b>2,033.8</b>	<b>185,078.3</b>

#The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

\* Amount is below the rounding off norm adopted by the Company.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Reconciliation of Equity as at 31st March, 2016#**

Particulars	Notes to first time adoption	Restated Previous GAAP#	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		16,999.3	-	16,999.3
Capital work-in-progress		44.6	-	44.6
Goodwill	7	267.5	178.8	446.3
Other intangible assets		867.6	-	867.6
Intangible assets under development		252.2	-	252.2
Investment in equity instrutments		*	*	*
Investment in subsidiaries	2	121,980.4	404.9	122,385.3
Financial assets				
- Investments		9.6	-	9.6
- Other financial assets	1, 9	5,777.6	(568.7)	5,208.9
Non Current Tax assets	10	1,010.7	(72.1)	938.6
Deferred tax assets	13	(60.9)	396.4	335.5
Other Non-current assets	1	97.2	402.5	499.7
<b>Total non-current assets</b>		<b>147,245.8</b>	<b>741.8</b>	<b>147,987.6</b>
<b>Current assets</b>				
Financial assets				
- Trade receivables		18,930.8	-	18,930.8
- Cash and cash equivalents		50,545.2	-	50,545.2
- Bank balances other than cash and cash equivalents		122.8	-	122.8
- Other financial assets	1, 9, 11	4,265.2	382.5	4,647.7
Other Current assets	1	8,733.9	58.9	8,792.8
<b>Total current assets</b>		<b>82,597.9</b>	<b>441.4</b>	<b>83,039.3</b>
<b>TOTAL ASSETS</b>		<b>229,843.7</b>	<b>1,183.2</b>	<b>231,026.9</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	10	16,158.8	(12,500.0)	3,658.8
Other equity		59.8	-	59.8
Share application money pending allotment				
Reserves and surplus	14	111,425.8	1,715.4	113,141.2
<b>Total Equity</b>		<b>127,644.4</b>	<b>(10,784.6)</b>	<b>116,859.8</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
- Borrowings	10, 8	16,904.5	12,420.2	29,324.7
- Other financial liabilities	9	-	256.5	256.5
Provisions	4, 10, 12	73.1	66.9	140.0
Employee Benefit Obligations		106.9	-	106.9
Other Non-current liabilities		66.6	-	66.6
<b>Total non-current liabilities</b>		<b>17,151.1</b>	<b>12,743.6</b>	<b>29,894.7</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		2,100.5	-	2,100.5
- Trade payables	5	54,013.8	(62.7)	53,951.1
- Other financial liabilities	9, 10	8,501.8	473.9	8,975.7
Provisions	4, 12	2,077.7	(1,187.0)	890.7
Employee Benefit Obligations		975.3	-	975.3
Other Current liabilities		17,379.1	-	17,379.1
<b>Total current liabilities</b>		<b>85,048.2</b>	<b>(775.8)</b>	<b>84,272.4</b>
<b>TOTAL LIABILITIES</b>		<b>102,199.3</b>	<b>11,967.8</b>	<b>114,167.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>229,843.7</b>	<b>1,183.2</b>	<b>231,026.9</b>

\* Amount is below the rounding off norm adopted by the Company.

#The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Reconciliation of total comprehensive income for the year ended 31st March 2016\***

Particulars	Notes to first time adoption	Restated Previous GAAP*	Ind AS adjustments	Ind AS
<b>Income</b>				
Revenue from operations	5, 11, 15	38,302.1	134,049.0	172,351.1
Other income	1, 15	1,971.5	993.7	2,965.2
Other gains (net)		73.6	-	73.6
<b>Total income</b>		<b>40,347.2</b>	<b>135,042.7</b>	<b>175,389.9</b>
<b>Expenses</b>				
Cost of services	15	-	128,828.6	128,828.6
Employee benefits expense	2, 3	17,456.8	511.2	17,968.0
Finance Cost	8, 10	4,056.3	372.5	4,428.8
Advertisement Expenses	15	3,213.4	646.2	3,859.6
Depreciation and amortisation expense	7	1,914.3	(178.8)	1,735.5
Other expenses	1, 4, 15	12,863.2	4,973.0	17,836.2
<b>Total expenses</b>		<b>39,504.0</b>	<b>135,152.7</b>	<b>174,656.7</b>
<b>Profit before tax</b>		<b>843.2</b>	<b>(110.0)</b>	<b>733.2</b>
Less : Tax expense				
Current tax	10	-	72.1	72.1
Deferred tax	13	30.0	92.5	122.5
<b>Total tax expenses</b>		<b>30.0</b>	<b>164.6</b>	<b>194.6</b>
<b>Profit for the year (A)</b>		<b>813.2</b>	<b>(274.6)</b>	<b>538.6</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of post-employment benefit obligations	3	-	(20.3)	(20.3)
Income tax relating to items that will not be reclassified to profit or loss	13	-	7.0	7.0
<b>Total other comprehensive income for the period, net of taxes (B)</b>		<b>-</b>	<b>(13.3)</b>	<b>(13.3)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>813.2</b>	<b>(287.9)</b>	<b>525.3</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**Reconciliation of total equity as at 31 March 2016 and 1 April 2015**

Particulars	Notes to first time adoption	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per Previous GAAP		127,644.4	114,134.9
<b>Adjustments:</b>			
Revenue recognition based on performance obligation	11	-	25.8
Adjustment of rent equalisation reserves	4	(957.6)	(1,482.5)
Fair valuation of security deposits, net	1	(101.0)	(134.1)
Capital contribution to subsidiary on account of ESOP	2	404.9	195.4
Amortisation of debt issue expenses	8	79.8	38.9
Reversal of Goodwill amortisation	7	178.8	-
Reversal of provision for Dividend	12	1,651.4	1,649.0
Sterling merger Adjustment pursuant to court approved scheme of arrangement and amalgamation	6	-	1,462.5
Fair valuation of derivatives	5	62.7	-
Non Convertible Redeemable Preference shares classified as debt	10	(12,500.0)	-
Tax effects of adjustments	13	396.4	482.0
<b>Total adjustments</b>		<b>(10,784.6)</b>	<b>2,237.0</b>
<b>Total equity as per Ind AS</b>		<b>116,859.8</b>	<b>116,371.9</b>



# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Notes to first time adoption	31 March 2016
Profit after tax as per previous GAAP		813.2
<b>Income/(Expense) Adjustments as described below:</b>		
Reversal of Goodwill amortisation	7	178.8
Fair valuation of derivatives	5	62.7
Reversal of rent equalisation reserves	4	524.9
Employee Stock options expense recognised based on fair value method	2	(531.5)
Remeasurements of post-employment benefit obligations	3	20.3
Impact of fair valuation of security deposits, net of prepaid amortisation	1	33.1
Finance cost on non convertible redeemable preference shares classified as debt	10	(354.2)
Revenue recognition based on performance obligation	11	(25.8)
Amortisation of debt issue expenses	8	(18.3)
Deferred tax effects of adjustments	13	(92.5)
Tax effects of adjustments	10	(72.1)
<b>Total adjustments</b>		<b>(274.6)</b>
<b>Profit after tax as per Ind AS</b>		<b>538.6</b>
<b>Other comprehensive income</b>	3, 13	<b>(13.3)</b>
<b>Total comprehensive income as per Ind AS</b>		<b>525.3</b>

## Impact of Ind AS adoption on the Statements of cash flow for the year ended March 31, 2016

Particulars	Notes to first time adoption	Restated Previous GAAP	Ind AS adjustments	Ind AS
Net Cash flow from operating activities		36,723.0	-	36,723.0
Net Cash flow from investing activities		(13,895.0)	-	(13,895.0)
Net Cash flow from financing activities	16	14,543.0	2,929.6	17,472.6
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>37,371.0</b>	<b>2,929.6</b>	<b>40,300.6</b>
<b>Cash and cash equivalents as at April 1, 2015</b>	16	<b>13,174.2</b>	<b>(5,030.1)</b>	<b>8,144.1</b>
<b>Cash and cash equivalents as at March 31, 2016</b>	16	<b>50,545.2</b>	<b>(2,100.5)</b>	<b>48,444.7</b>

## Analysis of changes in cash and cash equivalents for the purpose of Statement of cash flows under Ind AS

Particulars	Notes to first time adoption	31 March 2016	1 April 2015
Cash and cash equivalent as per previous GAAP		50,545.2	13,174.2
Bank overdrafts	16	2,100.5	5,030.1
Cash and cash equivalent for the purpose of Statement of cash flows		48,444.7	8,144.1

## Notes to the Reconciliations

### Note 1: Security Deposits

Under the previous GAAP, interest free lease deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by INR 347.4 as at 31 March 2016 (1 April 2015 – INR 865.0). The prepaid rent increased by INR 314.3 as at 31 March 2016 (1 April 2015 - INR 730.9). Total equity as on 1 April 2015 decreased by INR 134.1 due to amortisation of the prepaid rent and notional interest income recognised on security deposits. The profit for the year ended 31 March 2016 increased by INR 33.1 due to the notional interest income of INR 347.4 recognised on security deposits which is partially off-set by amortisation of the prepaid rent of INR 314.3. Consequently, total equity as at 31 March 2016 increased by INR 101.0.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Note 2: Share based payments:

- (i) Under the previous GAAP, the cost of equity-settled employee share-based plan was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled share-based plan is recognised based on fair value of options as on the grant date. Consequently, the amount recognised in share option outstanding account increased by INR 274.1 as at 31 March 2016 with corresponding decrease in the profit for the year ended 31st March 2016 by INR 274.1. Similarly share option outstanding account increased by INR 36.4 as at 1 April 2015 with corresponding decrease in retained earning by INR 36.4, leading to no impact on total equity as at 1 April 2015.
- (ii) Under the previous GAAP, ESOP expense on account of issue of share-based payment plans by an entity to employees of its subsidiaries, was taken by the parent itself due to lack of specific guidance. Under Ind AS, cost of share based payment plans issued to the employees of the subsidiary is to be recognised by the entity receiving services from the concerned employees. The entity issuing the share based payment plan will recognise the cost as an investment. Due to this adjustment, total equity increased by INR 165.6 (1 April 2015 INR 122.7) with corresponding increase in investment in subsidiary by INR 165.6 (1 April 2015 INR 122.7).
- (iii) Consequent to ESOPs issued in replacement of ESOPs of sterling in the course of business combination, an incremental cost has been booked as per Ind AS 102, which is the difference in the fair values of the options issued as on the effective date and its fair value as on 1 April 2014, the appointed date. There is no specific guidance for this in Indian GAAP. Due to this adjustment, ESOP cost has increased by INR 257.4, investment in subsidiary by INR 43.9 and corresponding increase in share option outstanding account by INR 301.3 as at March 2016 (1 April 2015- investment in subsidiary increased by INR 72.7 and corresponding increase in share option outstanding account by INR 72.7).
- (iv) Consequent to above, profit for the year / retained earning ended 31 March 2016 decreased by INR 531.5 (INR 36.4), investment in subsidiary as at 31 March 2016 increased by INR 209.5 (1 April 2015 INR 195.4) and share option outstanding account increased by INR 741.0 (1 April 2015 INR 231.8). Hence, total equity and investment as at 31 March 2016 increased by INR 404.9 (1 April 2015 INR 195.4).

## Note 3: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2016 increased by INR 20.3 with corresponding decrease in other comprehensive income by INR 20.3. Hence there is no impact on the total equity as at 31 March 2016.

## Note 4: Lease rent Straight lining

Ind AS 19 mandates straight lining of lease rental payments, if the escalation rate is not in line with the general inflation rate. Under the previous GAAP, there was an option not to straight line which was availed by the company. Consequently, rent equalisation reserve has been created as on 1 April 2015 with corresponding decrease in total equity of INR 1,482.5. Rent equalisation reserve is subsequently reversed by INR 524.9 as at 31 March 2016 with a corresponding decrease in rent expense by INR 524.9. Consequently, total equity as at 31 March 2016 has decreased by INR 957.6.

## Note 5: Fair valuation of derivatives

Under the previous GAAP, premium or discount on forward contracts were to be amortised over the period of the contract and the outstanding forward contracts were restated at the prevailing rate at each reporting date. Under Ind AS 109, derivatives are to be revalued at Fair value at each reporting date. Consequently, profit for the year ended March 31, 2016 increased by INR 62.7.

## Note 6: Sterling merger adjustment:

"The Board of Directors of the Company, Thomas Cook Insurance Services (India) Limited ("TCISIL") & Sterling Holiday Resorts (India) Limited (Sterling) had at their meetings held on 7 February 2014 approved a composite scheme of arrangement and amalgamation (Scheme) pursuant to which there was (i) a demerger of the resort and timeshare business from Sterling to TCISIL, and (ii) amalgamation of residual Sterling into the Company.

Pursuant to the scheme, (i) 116 equity shares of paid up value INR 1/- each of the Company were to be issued to the shareholders of Sterling for every 100 equity shares held in Sterling of paid up value of INR 10/- in consideration of the demerger of the resort and timeshare business of Sterling from Sterling to TCISIL; and (ii) 4 equity shares of the Company of paid up value of INR 1/- each were to be issued to the shareholders of Sterling for every 100 equity shares held in Sterling of paid up value of INR 10/- in consideration of the amalgamation of residual Sterling into the Company.

The Hon'ble High Court of Madras sanctioned the Scheme of Sterling on 13 April 2015, while the Hon'ble High Court of Bombay sanctioned the Scheme of the Company and TCISIL on 2 July 2015. The High Court Order was filed with the Registrar of Companies, Mumbai on 18 August 2015 and thus, the scheme is effective from 1 April 2014 (Appointed date).

After obtaining statutory approvals, the Company completed the process of allotment of 48,657,929 equity shares of INR 1/- each to the shareholders of Sterling in pursuance of the Scheme on 3 September 2015 as per the above swap ratio.

Subsequent to Sterling's demerger into TCISIL as per court approved scheme, TCISIL's name has been changed to Sterling Holidays Resorts Limited ("SHRL") with effect from 1 September 2015.

In terms of Scheme, all the assets and liabilities of residual Sterling are transferred to and vested in the Company and recorded at their respective fair values as determined by Board of Directors of the Company.

## Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

The difference, between the fair value of net assets of residual Sterling transferred to the Company and recorded by the Company pursuant to the order of the jurisdictional High Court(s) over the face value of equity shares allotted by the Company has been debited to Goodwill Account.

Pursuant to the scheme becoming effective, net assets of residual Sterling amounting to INR 25.3 as on 1 April 2014 have been taken over and Goodwill of INR 446.3 has been recorded after giving effect to the scheme. In the previous GAAP, the accounting of the scheme was done on the effective date i.e. 18 August 2015, however in pursuance of the court order the accounting in these financial statement has been done on the appointed date i.e. 1 April 2014.

### Note 7: Goodwill amortisation

Under the previous GAAP, Goodwill recognised on the acquisition of the residual business of Sterling was amortised over a period of five years. Under Ind AS, Goodwill is considered not to have a definite determinable useful life and hence cannot be amortised and only tested for impairment. Due to this adjustment, profit and goodwill has increased by INR 178.8 for the year ended 31 March 2016.

### Note 8: Debt issue expenses

Under the previous GAAP, Debt issue expenses were netted off against securities premium. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Hence total equity as at 31 March 2016 increased by INR 79.8 (as on 1 April 2015 by INR 38.9) with corresponding decrease in debenture liability as at 31 March 2016 by INR 40.9 (as on 1 April 2015 of INR 38.9). The amortisation of debt issue expense for the year ended 31 March 2016 is INR 18.3.

### Note 9: Fair valuation of guarantee:

Corporate guarantees given for securing loan taken by subsidiaries have been fair valued and shown as financial liabilities. Under the previous GAAP, these were to be disclosed as an off balance sheet item which have now been brought to books as required by Ind AS. As a result, Guarantee liability as on 31 March 2016 has been shown at INR 376.2 (1 April 2015 INR Nil) with corresponding receivable from subsidiaries of INR 376.2 (1 April 2015 INR Nil). There is no impact on total equity as at 31 March 2016 and 1 April 2015.

### Note 10: Dividend on Non Convertible Redeemable Preference Share Capital ("Non Convertible Redeemable Preference Shares")

Under the previous GAAP, Non Convertible Redeemable Preference Shares were considered as equity, dividend and dividend distribution tax on Non Convertible Redeemable Preference Shares was accounted as appropriation from Surplus of Profit and Loss. Under Ind AS, Non Convertible Redeemable Preference Shares is considered as liability, dividend is considered as finance cost and dividend distribution tax is considered as current tax expense. Accordingly, total equity as at 31 March 2016 has reduced by INR 12,500.0, being the Non Convertible Redeemable Preference Shares amount. There is no impact on total equity as at 31 March 2016 in relation to dividend and dividend distribution tax, however profit after tax has decreased by INR 426.3 for the year ended 31 March 2016.

### Note 11: Revenue recognition

Under the previous GAAP, "Signing bonus" on contracts with Amadeus were recorded on a straight line basis over the contract period. Under Ind AS, it is now being recorded based on performance. Consequently, the profit for the year ended 31st March 2016 has decreased by INR 25.8 and the equity as at 1 April 2015 has increased by INR 25.8.

### Note 12: Provision for Dividend on equity shares and Dividend distribution tax

As per Ind AS, provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity. Hence the proposed dividend provided under I GAAP has been reversed due to pendency of shareholders approval.

### Note 13: Deferred Tax

Under Ind AS deferred tax has been recognised on the adjustments made on transition to Ind AS.

### Note 14: Retained Earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustment.

### Note 15: Grossing up

Grossing up on account of Ind AS requirements in following:	
- sale of services	129,559.2
- other operating revenue	4,453.0
- other income	646.2
- cost of sales	(128,828.6)
- advertisement expenses	(646.2)
- other expenses - rent	(4,760.7)
- other expenses	(422.9)

### Note 16: Bank overdraft

For the purpose of cash flow statement, cash and cash equivalent includes bank overdraft.

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 34: Earnings/(Loss) Per Share**

Particulars	31 March 2017	31 March 2016
<b>(a) Basic earnings/(loss) per share</b>		
From continuing operations attributable to the equity holder of the company	(0.23)	0.17
<b>(b) Diluted earnings/(loss) per share</b>		
From continuing operations attributable to the equity holders of the company	(0.23)	0.16
<b>(c) Reconciliation of earnings/(loss) used in calculating earnings/(loss) per share</b>		
<b>Particulars</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
<b>Basic earnings/(loss) per share</b>		
Profits/(Loss) attributable to the equity holders of the company used in calculating basic earnings/(loss) per share	(835.9)	538.6
<b>Profits/(Loss) attributable to the equity holders of the company used in calculating diluted earnings/(loss) per share</b>	(835.9)	538.6
<b>(d) Weighted average number of shares used as the denominator</b>		
<b>Particulars</b>	<b>31 March 2017 Number of shares</b>	<b>31 March 2016 Number of shares</b>
<b>Weighted average number of equity shares used as the denominator in calculating basic earnings/(loss) per share</b>	366,484,630	325,820,544
Adjustments for calculation of diluted earnings/(loss) per share:		
Effect of Dilutive Issue of Stock Options	3,391,123	2,602,584
<b>Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings/(loss) per share</b>	369,875,753	328,423,128

**(e) Information concerning the classification of securities**

Options granted to employees under the ESOP Option Plan are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 32.

**Note 35: Merger of Sterling Holiday Resorts (India) Limited**

The Board of Directors of the Company, Thomas Cook Insurance Services (India) Limited ("TCISIL") & Sterling Holiday Resorts (India) Limited (Sterling) had at their meetings held on 7 February 2014 approved a composite scheme of arrangement and amalgamation (Scheme) pursuant to which there was (i) a demerger of the resort and timeshare business from Sterling to TCISIL, and (ii) amalgamation of residual Sterling into the Company.

Pursuant to the scheme, (i) 116 equity shares of paid up value INR 1/- each of the Company were to be issued to the shareholders of Sterling for every 100 equity shares held in Sterling of paid up value of INR 10/- in consideration of the demerger of the resort and timeshare business of Sterling from Sterling to TCISIL; and (ii) 4 equity shares of the Company of paid up value of INR 1/- each were to be issued to the shareholders of Sterling for every 100 equity shares held in Sterling of paid value of INR 10/- in consideration of the amalgamation of residual Sterling into the Company.

The Hon'ble High Court of Madras sanctioned the Scheme of Sterling on 13 April 2015, while the Hon'ble High Court of Bombay sanctioned the Scheme of the Company and TCISIL on 2 July 2015. The High Court Order was filed with the Registrar of Companies, Mumbai on 18 August 2015 and thus, the scheme is effective from 1 April 2014 (Appointed date).

After obtaining statutory approvals, the Company completed the process of allotment of 48,657,929 equity shares of Re. 1/- each to the shareholders of Sterling in pursuance of the Scheme on 3 September 2015 as per the above swap ratio.

Subsequent to Sterling's demerger into TCISIL as per court approved scheme, TCISIL's name has been changed to Sterling Holidays Resorts Limited ("SHRL") with effect from 1 September 2015.

In terms of Scheme, all the assets and liabilities of residual Sterling are transferred to and vested in the Company and recorded at their respective fair values as determined by Board of Directors of the Company.

The difference, between the fair value of net assets of residual Sterling transferred to the Company and recorded by the Company pursuant to the order of the jurisdictional High Court(s) over the face value of equity shares allotted by the Company has been debited to Goodwill Account.

Pursuant to the scheme becoming effective, net assets of residual Sterling amounting to INR 25.3 as on 1 April 2014 have been taken over and Goodwill of INR 446.3 has been recorded after giving effect to the scheme."

# Notes forming part of the Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Note 36: Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM of the Company. The Company while presenting the consolidated financial statements has disclosed the segment information as required under Indian Accounting Standard 108 "Operating Segments".

**Note 37:** On 22 December 2015, Quess Corp Limited ("Quess") issued to its shareholders 2,560,000 Equity Shares of Rs. 10 each on rights basis at an issue price of Rs 10. Consequent to the Company's renunciation of its rights in the rights issue, as approved by the shareholders by an overwhelming majority at their meeting held on / postal ballot, the Company's shareholding in Quess has reduced to 69.55%. Further, Quess has on 5 January 2016 issued 85,001,292 Equity Shares of Rs. 10 each as a bonus issue (in the ratio of 3:1) to the existing shareholders of Quess.

**Note 38:** During the previous year, the Company along with its subsidiary Travel Corporation (India) Limited acquired a 100% stake in SOTC Travel Services Private Limited ('formerly known as Kuoni Travel India Private Limited') by purchasing 9,713,050 Equity Shares of Rs. 10 each fully paid up for a consideration of INR 32,000.0.

**Note 39:** During the year, the company has acquired sub subsidiary SITA Travels Private Limited from its subsidiary SOTC Travel Services Private Limited by issuing consideration of INR 1.0.

## Note 40: Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015

Loans and advances in the nature of loans to subsidiary

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Loan to Subsidiary : Travel Corporation (India) Limited			
Balance as at the year end	-	-	-
Maximum amount outstanding at any time during the year	-	2,650.0	-

## Note 41: Recent accounting pronouncements

Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is not likely to be significant.

Signatures to Notes 1 to 41 form an integral part of the financial statements.

As per our report of even date

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Sharmila A Karve**  
Partner  
Membership No. 043229

Mumbai, May 25, 2017

For and on behalf of the Board of Directors

**Madhavan Menon**  
Chairman and Managing Director  
DIN No : 00008542

**Amit Parekh**  
Company Secretary  
& Compliance Officer

Mumbai, May 25, 2017

**Debasis Nandy**  
Chief Financial Officer &  
President - Commercial

# Independent Auditors' Report

## To the Members of Thomas Cook (India) Limited

### Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of **Thomas Cook (India) Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint venture and associate companies; (refer Note 3 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group and its associate companies and joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint venture respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 and 10 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and joint venture as at March 31, 2017, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### Other Matters

8. We did not audit the financial statements of 27 subsidiaries whose financial statements reflect total assets of Rs. 355,312.17 lakhs and net assets of Rs. 87,068.91 lakhs as at March 31, 2017, total revenue of Rs. 654,101.12 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 13,756.63 lakhs and net cash inflows amounting to Rs. 26,311.93 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 67 lakhs for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of 2 associate companies and 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, joint venture and associates, is based solely on the reports of the other auditors.
9. We did not audit the financial statements of 10 subsidiaries whose financial statements reflect total assets of Rs. 2,521.07 lakhs and net



assets of Rs. 1,354.28 lakhs as at March 31, 2017, total revenue of Rs. 1,837.44 lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (9.69) lakhs and net cash inflows amounting to Rs. 10.31 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

10. The financial statements of 5 subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of Rs. 3,332.68 lakhs and net assets of Rs. 2,476.77 lakhs as at March 31, 2017, total revenue of Rs. 2,658.34 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs.85.01 lakhs and net cash outflows amounting to Rs.143.51 lakhs for the year then ended; have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

11. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015, included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2016 and the fifteen months ended March 31, 2015, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 28, 2016 and modified opinion dated May 28, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us except in respect of 33 subsidiaries for March 31, 2016, and 10 subsidiaries and an associate for March 31, 2015, for which adjustments were audited by other auditors.

Our opinion is not qualified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries and associate companies, incorporated in India, including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been

kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries and associate companies, incorporated in India, including relevant records relating to the preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associate companies incorporated in India, none of the directors of the Holding Company, its subsidiaries and its associate companies, incorporated in India, is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and its associate companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Holding Company, its subsidiaries, its associates and joint venture— Refer Note 40 to the consolidated Ind AS financial statements.
  - Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2017.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its associate companies, incorporated in India, during the year ended March 31, 2017.
  - The Holding Company, its subsidiaries and its associate companies, incorporated in India, has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company, its subsidiaries and its associate companies, incorporated in India, and as produced to us by the Management – Refer Note 42 to the consolidated Ind AS financial statements.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

Sharmila A. Karve  
Partner  
Membership Number: 043229

Mumbai  
May 25, 2017



## Annexure A to the Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Thomas Cook (India) Limited on the consolidated financial statements for the year ended March 31, 2017

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Thomas Cook (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 12 subsidiary companies and 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

Sharmila A. Karve  
Partner  
Membership Number: 043229

Mumbai  
May 25, 2017

# Consolidated Balance Sheet as at 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4(a)	69,725.5	66,042.7	32,507.2
Capital work-in-progress	4(b)	4,184.8	4,614.0	9,471.8
Goodwill	5	125,465.7	107,787.9	64,239.4
Other intangible Assets	6	15,645.7	16,475.6	10,682.5
Intangible assets under development		1,417.4	649.3	201.1
Investment accounted for using equity method	7	7,398.4	-	-
<b>Financial assets</b>				
- Investments	8(a)	22,377.8	377.3	10.4
- Loans	8(f)	96.4	-	6.0
- Trade receivables	8(c)	5,503.8	3,742.3	4,386.8
- Other financial assets	8(g)	7,248.6	10,549.3	5,802.5
Deferred tax Assets	17	3,928.7	5,165.8	1,425.9
Other non-current assets	9(a)	1,828.6	1,843.9	3,530.1
Non-current tax assets	11	31,971.5	12,223.1	7,769.1
<b>Total non-current assets</b>		<b>296,792.9</b>	<b>229,471.2</b>	<b>140,032.8</b>
<b>Current assets</b>				
Inventories	10	753.1	367.7	302.6
<b>Financial assets</b>				
- Investments	8(b)	14,155.6	12,977.7	34,054.2
- Trade receivables	8(c)	93,880.7	82,769.7	60,266.4
- Cash and cash equivalents	8(d)	119,942.0	97,215.6	23,695.4
- Bank balances other than cash and cash equivalents	8(e)	17,660.0	1,176.3	4,113.7
- Loans	8(f)	1,488.8	821.4	415.1
- Other financial assets	8(g)	51,370.8	37,104.7	21,819.2
Other current assets	9(b)	45,262.0	33,027.9	14,793.5
Asset Classified as held for sale	12	-	111.4	-
<b>Total current assets</b>		<b>344,513.0</b>	<b>265,572.4</b>	<b>159,460.0</b>
<b>TOTAL ASSETS</b>		<b>641,305.9</b>	<b>495,043.6</b>	<b>299,492.8</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	13(a)	3,667.6	3,658.8	3,213.9
Preference Share capital	13(a)	-	-	442.3
Other equity				
Share application money pending allotment		15.6	59.8	23.7
Reserves and surplus	13(b)	148,396.8	121,047.0	128,193.2
<b>Equity attributable to owners of Thomas Cook (India) Limited</b>		<b>152,080.0</b>	<b>124,765.6</b>	<b>131,873.0</b>
Non controlling Interests		28,072.5	10,288.4	7,483.1
<b>Total Equity</b>		<b>180,152.5</b>	<b>135,054.0</b>	<b>139,356.2</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
- Borrowings	14(a)	73,763.4	56,865.4	10,466.3
- Other financial liabilities	14(c)	14,261.0	4,137.0	194.0
Provisions	15	878.2	1,538.6	1,243.1
Employee Benefit Obligations	16	2,493.0	1,711.1	1,029.2
Deferred tax liabilities	17	14,135.2	10,906.6	2,472.4
Other non-current liabilities	19(a)	31,613.5	28,184.0	30,756.4
<b>Total non-current liabilities</b>		<b>137,144.3</b>	<b>103,342.7</b>	<b>46,161.4</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	14(b)	55,582.3	37,088.9	27,947.4
- Trade payables	14(d)	121,584.7	107,230.8	32,615.0
- Other financial liabilities	14(c)	23,701.9	22,001.3	6,350.3
Provisions	15	18,012.5	3,124.5	732.5
Employee Benefit Obligations	16	29,287.9	31,180.4	13,851.7
Current Tax Liabilities	18	1,122.2	602.3	559.2
Other current liabilities	19(b)	74,717.6	55,418.7	31,919.1
<b>Total current liabilities</b>		<b>324,009.1</b>	<b>256,646.9</b>	<b>113,975.2</b>
<b>TOTAL LIABILITIES</b>		<b>461,153.4</b>	<b>359,989.6</b>	<b>160,136.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>641,305.9</b>	<b>495,043.6</b>	<b>299,492.8</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes

As per our report of even date

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Sharmila A Karve**  
Partner  
Membership No. 043229

For and on behalf of the Board of Directors

**Madhavan Menon**  
Chairman and Managing Director  
DIN No : 00008542

**Amit Parekh**  
Company Secretary  
& Compliance Officer

**Debasis Nandy**  
Chief Financial Officer &  
President - Commercial

Mumbai, May 25, 2017

Mumbai, May 25, 2017

# Consolidated Statement of Profit And Loss for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Income</b>			
Revenue from operations	20	858,799.6	609,392.5
Other income	21(a)	7,504.2	5,692.7
Other gains (net)	21(b)	1,927.1	616.9
<b>Total income</b>		<b>868,230.9</b>	<b>615,702.1</b>
<b>Expenses</b>			
Cost of sales and services		337,118.6	187,997.0
Employee benefits expense	22	405,388.9	337,809.1
Finance Cost	25	13,089.1	9,214.1
Advertisement and Sales promotion expenses	26	9,730.4	7,880.1
Depreciation and amortisation expense	23	8,463.0	6,059.0
Other expenses	24	75,303.6	57,265.1
<b>Total expenses</b>		<b>849,093.6</b>	<b>606,224.5</b>
<b>Profit before exceptional item, share of net profits of investments accounted for using equity method and tax</b>		<b>19,137.3</b>	<b>9,477.6</b>
Share of profit from associates and joint venture accounted for using equity method		12.5	-
<b>Profit before exceptional items and tax</b>		<b>19,149.8</b>	<b>9,477.6</b>
Less : Exceptional item (Refer Note 38)		-	9,384.9
<b>Profit before tax</b>		<b>19,149.8</b>	<b>92.7</b>
Less : Tax expense / (credit)			
Current tax	27	6,515.6	6,764.2
Deferred tax	27	4,867.1	(819.4)
<b>Total tax expenses</b>		<b>11,382.7</b>	<b>5,944.8</b>
<b>Profit/(Loss) for the period (A)</b>		<b>7,767.1</b>	<b>(5,852.1)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange Differences on translation of Foreign Operations		(333.3)	388.7
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		(133.8)	690.4
Income tax relating to items that will not be reclassified to profit or loss		112.2	(228.9)
Share of Other Comprehensive Income in Associates and Joint Venture		54.4	-
<b>Total other comprehensive income / (expense) for the period, net of taxes (B)</b>		<b>(300.5)</b>	<b>850.2</b>
<b>Total comprehensive income/(expense) for the year (A+B)</b>		<b>7,466.6</b>	<b>(5,001.9)</b>
<b>Profit / (Loss) is attributable to:</b>			
Owners of Thomas Cook (India) Limited		3,818.1	(7,789.0)
Non Controlling interest		3,949.0	1,936.9
		<b>7,767.1</b>	<b>(5,852.1)</b>
<b>Other comprehensive income/(expense) is attributable to:</b>			
Owners of Thomas Cook (India) Limited		(210.3)	728.8
Non Controlling interest		(90.2)	121.4
		<b>(300.5)</b>	<b>850.2</b>
<b>Total comprehensive income is attributable to:</b>			
Owners of Thomas Cook (India) Limited		3,607.8	(7,060.2)
Non Controlling interest		3,858.8	2,058.3
		<b>7,466.6</b>	<b>(5,001.9)</b>
<b>Earnings/(Loss) per equity share (Face value of INR 1 each)</b>			
Basic Earnings/(Loss) per share	34	2.1	(1.6)
Diluted Earnings/(Loss) per share		2.1	(1.6)

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes

As per our report of even date

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Sharmila A Karve**  
Partner  
Membership No. 043229

Mumbai, May 25, 2017

For and on behalf of the Board of Directors

**Madhavan Menon**  
Chairman and Managing Director  
DIN No : 00008542

**Amit Parekh**  
Company Secretary  
& Compliance Officer

Mumbai, May 25, 2017

**Debasis Nandy**  
Chief Financial Officer &  
President - Commercial

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### A. Share capital

Particulars	Equity Share	Preference Share
<b>Balance as at 1 April 2015</b>	<b>3,213.9</b>	<b>442.3</b>
changes in share capital during the year	444.9	(442.3)
<b>Balance as at 31 March 2016</b>	<b>3,658.8</b>	-
changes in share capital during the year	8.8	-
<b>Balance as at 31 March 2017</b>	<b>3,667.6</b>	-

### B. Other Equity

Particulars	Share application money pending allotment	Reserves and Surplus								Total Reserves and Surplus	Non-controlling interests
		Capital Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	Share option Outstanding Account	Securities Premium Account	General Reserve	Retained Earnings	Foreign Currency Translation Reserve		
<b>Balance as at 1 April 2015</b>	<b>23.7</b>	<b>2,916.8</b>	-	<b>1,305.6</b>	<b>1,720.5</b>	<b>91,920.5</b>	<b>3,564.3</b>	<b>26,304.9</b>	<b>460.6</b>	<b>128,193.2</b>	<b>7,483.1</b>
Profit for the year								(7,789.0)		(7,789.0)	1,936.9
Other Comprehensive Income, net of tax								340.1	388.7	728.8	121.4
<b>Transaction with owners in their capacity as owners</b>											
Share Application Money received pending allotment, net of issue of equity shares	36.1									-	
Transfer from Retained Earnings			595.2	1,033.6						1,628.8	
Transfer to Debenture Redemption Reserve								(1,033.6)		(1,033.6)	
Transfer to Capital Redemption Reserve								(595.2)		(595.2)	
Employee Stock Option Expense					1,442.6					1,442.6	
Transfer to securities premium account					(45.1)					(45.1)	
Transfer from share option outstanding account						45.1				45.1	
Reduction on forfeiture of Subsidiary's stock options					(126.5)					(126.5)	
Share in Increase in subsidiaries General Reserve							119.1			119.1	
Share issue expenses						(120.3)				(120.3)	
Addition on account of ESOP issues						119.0				119.0	
Dividend for the Previous year paid during the year								(1,364.1)		(1,364.1)	
Corporate Dividend Tax for the Previous & Current year paid during the year								(155.7)		(155.7)	
Non-controlling interests on acquisition of subsidiaries										-	747.0
<b>Balance as at 31 March 2016</b>	<b>59.8</b>	<b>2,916.8</b>	<b>595.2</b>	<b>2,339.2</b>	<b>2,991.5</b>	<b>91,964.3</b>	<b>3,683.4</b>	<b>15,707.4</b>	<b>849.2</b>	<b>121,047.0</b>	<b>10,288.4</b>
Profit for the year								3,818.1		3,818.1	3,949.0
Other Comprehensive Income, net of tax								123.0	(333.3)	(210.3)	(90.2)
<b>Transaction with owners in their capacity as owners</b>											
Issue of equity shares, net of share application money received pending allotment	(44.2)									-	-
Transfer from Retained Earnings			1,785.7	1,144.3						2,930.0	-
Transfer to Debenture Redemption Reserve								(1,144.3)		(1,144.3)	-
Transfer to Capital Redemption Reserve								(1,785.7)		(1,785.7)	-
Employee Stock Option Expense					1,089.8					1,089.8	-
Transfer to securities premium account					(573.6)					(573.6)	-

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Share application money pending allotment	Reserves and Surplus								Total Reserves and Surplus	Non-controlling interests
		Capital Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	Share option Outstanding Account	Securities Premium Account	General Reserve	Retained Earnings	Foreign Currency Translation Reserve		
Transfer from share option outstanding account						573.6				573.6	
Transfer to General Reserve				(833.3)						(833.3)	
Transfer from Debenture redemption reserve							833.3			833.3	
Share issue expenses						(1,841.1)				(1,841.1)	-
Addition on account of ESOP issues						701.5				701.5	-
Dividend for the Previous year paid during the year								(1,374.3)		(1,374.3)	-
Corporate Dividend Tax for the Previous & Current year paid during the year								(280.8)		(280.8)	-
Addition on account of IPO issue of Subsidiary						25,446.9				25,446.9	13,837.1
Non-controlling interests on acquisition of subsidiaries										-	88.2
<b>Balance as at 31 March 2017</b>	<b>15.6</b>	<b>2,916.8</b>	<b>2,380.9</b>	<b>2,650.2</b>	<b>3,507.7</b>	<b>116,845.2</b>	<b>4,516.7</b>	<b>15,063.4</b>	<b>515.9</b>	<b>148,396.8</b>	<b>28,072.5</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

As per our report of even date  
For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

For and on behalf of the Board of Directors

**Sharmila A Karve**  
Partner  
Membership No. 043229

**Madhavan Menon**  
Chairman and Managing Director  
DIN No : 00008542

**Debasis Nandy**  
Chief Financial Officer &  
President - Commercial

**Amit Parekh**  
Company Secretary  
& Compliance Officer

Mumbai, May 25, 2017

Mumbai, May 25, 2017

# Consolidated Statement of Cash Flows

## for the year ended March 31, 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>A) Cash flow from operating activities</b>		
<b>Profit before income tax</b>	19,149.8	92.7
<i>Adjustments for</i>		
Interest Income	(3,225.6)	(2,562.1)
Dividend Income from Investments	(612.8)	(1,166.1)
Expenses on Employees Stock Options Schemes (Net)	1,089.8	1,442.6
Depreciation and Amortisation	8,463.0	6,059.0
(Profit) / Loss on sale of Fixed Assets (Net)	(1,140.7)	(132.6)
Interest on Income Tax Refund	(247.4)	(662.5)
Finance Costs	13,089.1	9,214.1
Exceptional Item : Capital Work In Progress Written Off	0.0	2,166.0
Exceptional Item : Vacation ownership contracts cancellation	0.0	7,219.0
Bad Debts and Advances written off	1,464.4	1,622.8
Provision for Doubtful Debts and Advances (Net)	391.6	357.7
<b>Change in operating assets and liabilities</b>		
Increase in Trade Payables	14,186.3	36,907.2
(Decrease) in Provisions	(681.7)	(282.1)
(Decrease) in Other Financial Liabilities	(846.3)	(19,226.2)
(Increase) in Trade Receivables	(8,008.3)	(10,411.0)
(Increase) in Other Financial Assets and Loans	(11,100.4)	(4,108.0)
(Increase) in Inventories	(368.0)	(20.9)
(Decrease)/Increase in Employee Benefit Obligations	(1,244.5)	18,700.8
(Increase) in Other Assets	(10,767.1)	(15,567.2)
Increase in Other Liabilities	20,581.6	19,194.2
<b>Cash generated from operations</b>		
Income taxes paid (Net of Refunds Received)	(11,870.4)	(11,175.1)
Interest on Income Tax Refund	247.4	662.5
<b>Net cash inflow from operating activities</b>	<u>28,549.9</u>	<u>38,324.9</u>
<b>B) Cash flow from investing activities:</b>		
Proceeds from sale of Fixed Assets	1,555.4	485.1
Purchase of Fixed Assets	(12,560.4)	(27,553.4)
Interest Received	3,059.3	3,359.2
Dividend Income from Investments	612.8	1,166.1
Investment in Subsidiaries Acquired	(9,330.4)	(18,361.6)
Investment in Associates and Joint venture	(7,465.3)	-
Proceeds from sale of Equity Share of Subsidiary (net of expenses)	37,122.2	-
(Investments)/Maturity in Fixed Deposits with banks	(16,460.2)	2,945.8
Rights issue subscribed by Minority Holders	-	256.0
(Purchase) of Non-Current Investments (Net)	(22,000.4)	(199.7)
(Purchase)/Proceeds of Current Investments	(1,178.0)	21,076.5
<b>Net cash outflow from investing activities</b>	<u>(26,644.8)</u>	<u>(16,825.9)</u>

## Consolidated Statement of Cash Flows

for the year ended March 31, 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>C) Cash flow from financing activities</b>		
Proceeds from Issue of Equity Shares under Employees Stock Options Schemes	666.1	157.7
Share Issue expenses paid	-	(120.3)
Proceeds from Borrowings (Net)	17,707.3	38,807.7
Proceeds from Issue of 8.50% NCRPS	-	12,500.0
Proceeds from Issue of 9.37% Non convertible Debentures	-	9,959.2
Proceeds from Issue of 8.25% Non convertible Debentures	14,833.1	-
Repayment of 10.52% Non convertible Debentures	(3,333.1)	-
Proceeds from Finance Lease Liability (Net)	409.9	3,073.8
Dividend Paid during the year	(1,374.3)	(1,364.1)
Tax on Dividend Paid during the year	(280.8)	(155.7)
Finance Costs paid	(13,117.6)	(8,011.3)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>15,510.7</b>	<b>54,846.9</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>17,415.8</b>	<b>76,345.9</b>
Add: Cash and cash equivalents at the beginning of the financial year	94,431.8	17,790.7
Effects of exchange rate changes on cash and cash equivalents	370.1	295.3
<b>Cash and cash equivalents at the end of the year</b>	<b>112,217.7</b>	<b>94,431.8</b>
<b>Reconciliation of Cash and cash equivalents as per the cash flow statement</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
<b>Cash and cash equivalents as per above comprises of the following</b>		
Cash and cash equivalents	119,942.0	97,215.6
Bank Overdrafts	(7,724.3)	(2,783.8)
<b>Balances as per statement of cash flows</b>	<b>112,217.7</b>	<b>94,431.8</b>

**Notes:-**

- The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS-7) on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- Additions to property, plant and equipment and other intangible assets include movement of capital work in progress, payables for fixed assets and capital advances during the year.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

This is the cash flow referred to in our report of even date

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Sharmila A Karve**  
Partner  
Membership No. 043229

For and on behalf of the Board of Directors

**Madhavan Menon**  
Chairman and Managing Director  
DIN No : 00008542

**Amit Parekh**  
Company Secretary  
& Compliance Officer

**Debasis Nandy**  
Chief Financial Officer &  
President - Commercial

Mumbai, May 25, 2017

Mumbai, May 25, 2017



# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Background:

Thomas Cook (India) Limited ("the Company") and its subsidiaries (the "Group") are engaged in diversified businesses including Travel and Related Services, Authorised Foreign Exchange Dealers, Human Resource Services and providing full-service leisure resorts catering to Vacation Ownership, One-time Leisure Holidays and Meetings, Incentives, Conferences and Exhibitions.

## 1. Significant Accounting policies

### 1.1 Basis of Preparation:

#### i) Statement of Compliance with Ind AS

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 that are notified and effective as at 31 March, 2017.

These financial statements for the year ended 31 March, 2017 are the first the Group has prepared under Ind AS. For all periods upto and including the year ended 31 March, 2016, the Group prepared its financial statements in accordance with the generally accepted accounting principles (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31 March, 2016 and the opening Balance Sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at 31 March 2016, 1 April 2015 and of the Statement of Comprehensive Income and Statement of Cash Flows for the year ended 31 March 2016 as provided in note 45.

#### ii) Historical cost convention:

Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value
- defined benefit plans - plan assets measured at fair value
- share based payment
- contingent consideration in case of a business combination.

#### iii) Uniform Accounting Policies:

As far as possible, the Consolidated Financial Statements of the Group are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

### 1.2 Principles of consolidation of Subsidiaries, Associates and Joint Ventures

#### Subsidiaries-

Subsidiaries are all entities (including structured entities) over which the company has control. The Group controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

#### Associates-

Associates are all entities over which the Group has significant influence but not control or joint control.

This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

#### Joint Venture-

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

#### Equity Method-

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The acquisition method of accounting is used to account for business combinations by the Group except amalgamation within the Group (between the Company and its subsidiaries) where the Company has taken the view that such amalgamations do not have any economic substance and therefore, they are ignored while preparing the consolidated financial statements.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

## 1.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors, the chief executive officer and the chief financial officer have been identified as being the chief operating decision maker. Refer note 31 for segment information

## 1.4 Foreign currency translation and transactions

### a) Functional and presentation currency

Presentation currency is the currency in which the financial statements are presented. These financial statements are presented in Indian Rupees (INR).

A Group's functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

### b) Transactions and balances:

The financial statements are presented in INR, the functional currency of the Group.

#### (i) Initial Recognition

On initial recognition, foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

#### (ii) Subsequent Recognition

As at the reporting date, non - monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of profit and loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

All monetary items denominated in foreign currency are restated at Foreign Exchange Dealers Association of India (FEDAI) rates and the exchange variations arising out of settlement / conversion at the FEDAI rates are recognised in the Statement of Profit and Loss at the end of accounting period.

Profit or loss on purchase and sale of foreign exchange by the Company in its capacity as Authorised Foreign Exchange Dealer are accounted as a part of the revenue.

## 1.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

### i. Travel and related services & Foreign Exchange

The entity provides travel products and services to leisure and corporate travellers in India and abroad. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties. The revenue from rendering these services is recognized in the income statement at the time when significant risk and rewards are transferred to the customer.

The entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the entity's activities as described below. The entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Income from the sale of airline tickets is recognized as an agent on the basis of net commission earned, at the time of issuance of tickets, as the Group does not assume any performance obligation post the confirmation of the issuance of an airline ticket to the customer. Performance linked bonuses from airlines are recognized as and when the performance obligations under the schemes are achieved.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Revenue on holiday packages is recognised on proportionate basis considering the actual number of days completed as at the year end to the total number of days for each tour.

Income from tours and packages, excluding income on airline tickets sold to customers as a part of tours and packages is accounted on gross basis as the Group is determined to be the primary obligor in the arrangement i.e., the risks and responsibilities are taken by the Group including the responsibility for delivery of services.

The income arising from the buying and selling of foreign currencies is included on the basis of net margins earned. Revenue on foreign exchange transactions are recognised at the time of purchase and sale.

ii. People and services:

Revenue related to staffing services i.e. salary and incidental expenses of temporary associates along with the service charges are recognized in accordance with the agreed terms and recognized as the related services are performed. Revenue related to recruitment services are recognized at the time the candidate begins full time employment. Revenue related to executive research and trainings are recognized upon rendering of the service. Revenue from training services is recognized prorated over the period of training.

iii. Global Technology Solutions:

Revenue related to staffing services i.e. salary and incidental expenses of employees of Information Technology / Information Technology Enabled Services along with the service charges are recognized in accordance with the agreed terms and recognized as the related services are performed.

iv. Integrated Facility Management:

Revenue from Integrated Facility Management and food services are primarily earned on fixed fee basis and are recognized as per the terms of the arrangement with the customers. Revenue from the services rendered between the last billing date and the balance sheet date is recognized as unbilled revenue.

v. Industrial Asset Management:

Revenue from operation and maintenance services are primarily earned on a fixed rate basis and are recognized as per the terms and arrangements with the customers. Certain arrangements are on time and material basis and are recognized as the services are performed as per the terms of the arrangement with the customer.

Deferred revenue included in other current liabilities represents amounts billed in excess of revenue earned. Unbilled revenue included in other current assets represents revenue earned in excess of amounts billed.

vi. Software and solutions business

Revenue from information technology primarily includes co-location, which includes the licensing of cabinet space and power, interconnection offerings, managed infrastructure services and application management services. Revenue is recognised ratably in accordance with the agreed terms of the contract with the customers.

vii. Vacation Ownership Business

The management has based on an assessment, determined that the fair value of the future services to be rendered to the customer which includes rights to usage of facilities over the membership period as 40% of the product value (entitlement fee). Entitlement Fee is recognised as income over the period of entitlement on a systematic basis reflecting the timing, nature and value of benefits provided to the customer. 60% of the product value, being admission fee is recognized as income in the year of sale.

In respect of all other vacation ownership products prior to November 2011, 45% of the product value, being admission fee was recognised as income in the year of sale. The remaining 55%, being Advance subscription towards customer facilities (ASCF), which entitles the vacation ownership member for the specified facilities over the membership usage period, is recognised as income equally over the period of entitlement.

The balance of Entitlement fee and ASCF as at the year-end is classified as Deferred Income under the head Non-current/ current liabilities.

Provision for cancellation of vacation ownership contracts is made considering the company's cancellation policy and historical trends and experience

viii. Income from resorts

Income from resorts comprising of sale of food and beverages, room rentals and other services are recognised when these are sold and when services are rendered.

ix. Income from Subscription Fee

Incomes in respect of Annual subscription fee or Annual amenity charges dues from members is recognized only when it is reasonably certain that the ultimate collection will be made. Commission income on insurance policies sold is recognised on the effective commencement of the policies.

## 1.6 Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

operating expenses majorly include sub-contractor charges, rent, recruitment and training expenses, travelling and conveyance, legal and professional fees and communication expenses.

## 1.7 Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income tax for the period comprises of current tax and deferred tax. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other comprehensive income or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustments to tax payable in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognised using the liability method on taxable temporary differences between the tax base and the accounting base of items included in the Balance Sheet of the Group.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Certain temporary differences arising on initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not recognised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax asset / liabilities in respect of on temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

## 1.8 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Lease arrangements where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability pertaining to non - current portion is included in other long - term borrowings and the current portion is included in other financial liabilities. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## 1.9 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

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The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

## 1.10 Impairment of Assets

### a) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not otherwise consider, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security.

The entity considers evidence of impairment for receivables for each specific asset. All individually significant receivables are assessed for specific impairment. In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on investment carried at fair value through other comprehensive income are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in the fair value reserve in other equity.

The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

### b) Non-Financial assets:

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. Goodwill that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Total impairment loss of a cash generating unit is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the statement of profit and loss and is not reversed in the subsequent period.

## 1.11 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques/drafts on hand, remittances in transit, balances with bank held in current account, demand deposits with maturities of three months or less, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

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convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are repayable on demand and form an integral part of an entity's cash management, and are included as a component of cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## 1.12 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet.

## 1.13 Financial instruments:

### (i) Financial assets

#### Initial recognition and measurement:

Financial assets are recognised when the entity becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value. Transaction costs are expensed in the Statement of Profit and Loss, except for financial instruments carried at amortised cost, where transaction costs are adjusted in the amortised cost of the asset.

#### Subsequent measurement:

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') on the basis of:

- (i) the entity's business model for managing the financial assets and
  - (ii) the contractual cash flow characteristics of the financial asset.
- (a) **Measured at amortised cost** : Financial assets which have contractual cash flows that are solely payments of principal and interest on the principal outstanding and is held within a business model with the objective of holding the assets to collect contractual cash flows, are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised in the Statement of Profit and Loss.
- (b) **Measured at fair value through other comprehensive income** : Financial assets which have contractual cash flows that are solely payments of principal and interest on the principal outstanding and is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, is measured at fair value through other comprehensive income. It is subsequently measured at fair value with unrealised gains or losses recognised in the other comprehensive income ('OCI'), except for interest income which is recognised as 'other income' in the Statement of Profit and Loss using the EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.
- (c) **Measured at fair value through profit or loss**: A financial asset not measured at either amortised cost or FVOCI, is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL. For all other equity instruments, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised as 'other income' in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss, when the Group's right to receive the payment is established.

#### Derecognition:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset. On transfer of the financial asset, the Group evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### (ii) Financial liabilities

#### Initial recognition and measurement:

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.



# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## **Subsequent measurement:**

Financial liabilities are subsequently measured at amortised cost using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

## **Derecognition:**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## **Guarantee:**

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of amount determined in accordance with Ind AS 37 and the amount initially recognized less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

## **Equity investments (other than Investments in subsidiaries, associates and joint venture):**

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL. For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss when the company's right to receive payments is established.

## **Derivative financial instruments**

The Group uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### **1.14 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### **1.15 Property, plant and equipment**

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Losses arising from the retirement of, and gains or losses arising from disposal of assets which are carried at cost is recognised in the Statement of Profit and Loss.

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on a straight-line method over the estimated useful lives of the assets. The depreciation rates are prescribed in Schedule II to the Companies Act, 2013. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter or longer than that envisaged in the aforesaid Schedule, depreciation is provided at a higher or lower rate respectively, based on the management's estimate of the useful life/remaining life.

#### *Transition to Ind AS:*

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### *Depreciation methods, estimated useful lives and residual value:*



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For TCIL and its subsidiaries, other than Quess Corp and Sterling and their step down subsidiaries, depreciation is provided on a pro - rata basis on the straight line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act, 2013, which are as given below.

Description of Tangible Assets	Estimated useful life (Number of years)
Computers (includes data server)	3 – 7 years
Furniture and Fixtures	4 - 10 years
Office Equipment	3 - 5 years
Office Building	60 years
Vehicles under finance lease	4 years
Other vehicles	3 - 8 years
Plant and Machinery	3 - 15 years
Shop and Electrical Fittings	8 – 10 years

For Quess Corp Limited and its subsidiaries, Sterling and its subsidiaries, depreciation on fixed assets is provided using the straight line method over the estimated useful life of assets. The above companies believe that the existing useful life represents the best useful estimated lives of the assets and hence they have carried out an internal assessment and obtained technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leasehold Improvements are amortised over the period of the lease or useful life of the asset whichever is lower.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of profit and loss within other gains/(losses).

### 1.16 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Corporate brand names acquired as part of acquisitions of businesses are capitalised separately from goodwill as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group.

The carrying value of these intangible assets is reviewed at least annually for impairment and adjusted to the recoverable amount, if required.

Amortization is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life.

#### (i) Goodwill

Goodwill on acquisitions/merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

#### (ii) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

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- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

iv) Amortisation methods and periods:

Asset	Useful Life
Software (including software - internally generated / developed)	3 - 4 years
Website Domain Name	4 – 5 years
Corporate Brand Name	5 – 15 years
Trademarks	5 – 7.5 years
Non - Compete Fees	5 - 7.5 years

Upon first-time adoption of Ind AS, the Group has elected to apply deemed cost exemption for all of its intangible assets as at the date of transition to Ind AS i.e. 1st April, 2015. Accordingly, the Group has continued with the carrying value under Previous GAAP for all of its intangible assets recognised in the financial statements as at the date of transition to Ind AS.

## 1.17 Provisions and contingent liabilities

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Provisions are not recognised for future operating losses. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of rendering of services.

A provision for onerous contracts other than construction contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## 1.18 Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the right to receive dividend is established.

In cases where the vacation ownership member chooses to make payments in instalments, interest is recognised as an income on an accrual basis over the contracted period.

Securitised assets are derecognised when the contractual rights therein are transferred to the third party. On being derecognised, the excess of consideration received over the principal amounts of receivable from members (net of reversals in respect of cancelled members) is recognised as income from securitisation.

## 1.19 Government grants

Government grants related to subsidy received in cash or in kind are recognised as income when there is reasonable assurance that the entity will comply with the conditions attaching to them; and the grants will be received. Duty credit scrips received from the Government on compliance of the conditions laid down under the new foreign trade policy are treated as revenue grant and classified under other operating revenue.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## 1.20 Employees Share-based Payments:

Share-based compensation benefits are provided to employees via the following plans:

- a) Thomas Cook Employees Stock Option Plan -2007
- b) Thomas Cook Save As You Earn (SAYE) -2010
- c) Thomas Cook Employees Stock Option Plan -2013
- d) Sterling Holiday Resorts (India) Limited Employee Stock Options Scheme 2012 - ("SHRIL ESOS 2012")

The fair value of options granted under each plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

-including any market performance conditions (e.g. the entity's share price)

-excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

-including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, to the statement of profit and loss, with a corresponding adjustment to equity.

Replacement awards are treated as a modification of share based payment arrangement, and the fair value of the new equity instruments (measured at the date of the modification) are included in the measurement of the amount recognised for services received and recognized over the remaining vesting period of the options.

For Quess and its subsidiaries, Quess has introduced 'IKYA Employee Stock Option Scheme 2009' ('the Option Scheme 2009'), wherein the employees of Quess and its subsidiaries receive remuneration in the form of equity settled instruments of Quess, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on Quess's estimate of equity instruments that will eventually vest.

## 1.21 Employee Benefits:

### (i) Long-term Employee Benefits

#### (a) Defined Contribution Plans

Superannuation Scheme:

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

Provident Fund, Employee State Insurance Scheme and Labour Welfare Funds:

For all group companies other than Thomas Cook (India) Limited, contributions to Provident Fund are charged to the Statement of Profit and Loss as incurred. The Provident Fund contributions are made to a government administered fund towards which the company has no further obligations beyond its monthly contributions.

Contributions to Employee State Insurance Scheme and Labour Welfare Funds are charged to the Statement of Profit and Loss account as incurred.

#### (b) Defined Benefit Plans

Gratuity

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Contribution to Gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the Group has entered into an arrangement. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Provident fund:

For Thomas Cook (India) Limited and Travel Corporation (India) Limited, Provident Fund contributions are made to a Trust administered by the Group. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Any short fall/(excess) based on independent actuarial valuation is accounted for in the Statement of Profit and Loss in the relevant period.

## (c) Other Long Term Benefits

### Compensated Absences:

For Ques and its subsidiaries, Sterling and its subsidiaries and SOTC and its subsidiaries, accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The discount rates used for determining the present value of the obligation under the defined benefit plan are based on the market yields on government bonds as at the balance sheet date.

## (ii) Short-term Employee Benefit

### Compensated Absences:

For Ques and its local subsidiaries, SOTC and its subsidiaries, Sterling and its subsidiaries, accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

For Travel Circle International Limited, employees are entitled to avail 9-25 days of leave during a year. Any carry forward or encashment of the same is not allowed and all unutilised leaves necessarily lapse at the end of the year.

For other group companies, employees are entitled to avail 30 days of leave during a calendar year. Any carry forward or encashment of the same is not allowed and all unutilised leaves necessarily lapse at the end of the calendar year.

## (iii) Employee benefits of Foreign subsidiaries are provided for on the basis of the local laws.

## 1.22 Inventories

Inventories which comprise finished goods, provisions, persihables, beverages, stock in trade and operating supplies are valued at the lower of cost and net realizable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost method ['WAM'] basis. Net realizable value is the best estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on an item-by-item basis. Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items.

## 1.23 Borrowing costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

## 1.24 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 1.25 Earnings Per Share

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

## 1.26 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 1.27 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III (division II), unless otherwise stated.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS:

The preparation of Consolidated Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Restated Standalone Financial Information.

The areas involving critical estimates or judgements are:

Estimation of current tax expense and payable –note 27 and 18 respectively

Estimated fair value of unlisted securities- note 8(a) and 8(b)

Estimated useful life of Intangible asset - note 6

Recognition of deferred tax - note 17

Estimated Goodwill Impairment - note 5

Estimation of Defined Benefit Obligation - note 16

Impairment of trade receivables- note 8(c)

Estimation of inputs for fair value of Share based payment instrument- note 33

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 3: Basis of Consolidation**

Name of the Company	Country of Incorporation	Proportion of Ownership		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Travel Corporation (India) Limited	India	100.0%	100.0%	100.0%
TC Tours Limited (formerly known as Thomas Cook Tours Limited)	India	100.0%	100.0%	100.0%
Indian Horizon Marketing Services Limited	India	100.0%	100.0%	100.0%
TC Visa Services (India) Limited	India	100.0%	100.0%	100.0%
Jardin Travel Solutions Limited	India	100.0%	100.0%	-
Borderless Travel Services Limited	India	100.0%	100.0%	-
Sterling Holiday Resorts Limited (Sterling) (formerly known as Thomas Cook Insurance Services (India) Limited)	India	100.0%	100.0%	100.0%
Sterling Holidays (Ooty) Limited ##	India	98.0%	98.0%	98.0%
Sterling Holidays Resorts (Kodaikannal) Limited ##	India	98.0%	98.0%	98.0%
Nature Trails Resorts Private Limited ##	India	100.0%	100.0%	-
Ques Corp Limited (Ques)	India	62.2%	69.6%	76.5%
Coachieve Solutions Private Limited @	India	62.2%	69.6%	76.5%
MFX Infotech Private Limited @	India	62.2%	69.6%	76.5%
Aravon Services Private Limited (formerly known as ARAMARK India Private Limited) @	India	62.2%	69.6%	-
Dependo Logistics Solutions Private Limited (Incorporated during the year) @	India	62.2%	-	-
CenterQ Business Solutions Private Limited (Incorporated during the year) @	India	62.2%	-	-
Excelus Learning Solutions Private Limited (Incorporated during the year) @	India	62.2%	-	-
Inticore VJP Advanced Solutions Private Limited (w.e.f December 1, 2016) @	India	46.0%	-	-
SOTC Travel Services Pvt Limited (formerly Known as Kuoni Travel (India) Pvt Limited) (w.e.f Januray 1, 2016)	India	100.0%	100.0%	-
Distant Frontiers Tours Private Limited @@	India	100.0%	100.0%	-
SITA Beach Resorts Private Limited @@	India	100.0%	100.0%	-
SITA Destination Management Private Limited @@	India	100.0%	100.0%	-
SITA Holidays (India) Private Limited @@	India	100.0%	100.0%	-
SITA Holidays Resorts Private Limited @@	India	100.0%	100.0%	-
SOTC Travel Private Limited (Formerly Known as SITA Travels Private Limited )	India	100.0%	100.0%	-
SITA Incoming (India) Private Limited @@	India	100.0%	100.0%	-
SOTC Travel Management Private Limited (formerly known as SITA Travels and Tours Private Limited) @@	India	100.0%	100.0%	-
<b>Subsidiaries- Foreign</b>				
Thomas Cook Lanka (Private) Limited	Sri Lanka	100.0%	100.0%	100.0%
Thomas Cook (Mauritius) Holding Company Limited	Mauritius	100.0%	100.0%	100.0%
Thomas Cook (Mauritius) Operations Company Limited	Mauritius	100.0%	100.0%	100.0%
Thomas Cook (Mauritius) Travel Limited (Liquidated w.e.f. October 13, 2016)	Mauritius	-	100.0%	100.0%
Thomas Cook (Mauritius) Holidays Limited	Mauritius	100.0%	100.0%	100.0%
Luxe Asia Private Limited (w.e.f. August 1, 2015)	Sri Lanka	100.0%	100.0%	-
Travel Circle International Limited (Formerly known as Luxe Asia Travel China Limited) (w.e.f. November 1, 2015)	Hong Kong	100.0%	100.0%	-

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Name of the Company	Country of Incorporation	Proportion of Ownership		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Travel Circle International Services Limited (Formerly known as Kuoni Travel (China) Limited )	Hong Kong	<i>Refer Note 1</i>	100.0%	-
Horizon Travel Holdings (Singapore) Private Limited (w.e.f. August 19, 2015)	Singapore	100.0%	100.0%	-
Brainhunter Systems Limited @	Canada	62.2%	69.6%	76.5%
Mindwire Systems Limited, Ottawa @	Canada	62.2%	69.6%	76.5%
Brainhunter Companies LLC @	USA	62.2%	69.6%	76.5%
Brainhunter Companies Canada Inc @ (Dissolved w.e.f February 7, 2017) @	Canada	<i>Refer Note 2</i>	69.6%	76.5%
Quesscorp Inc, USA (formerly known as Magna Infotech Inc., USA) @	USA	62.2%	69.6%	76.5%
Quess (Phillippines) Corp (formerly known as Magna Ikya Infotech Inc, Philippines) @	Phillippines	62.2%	69.6%	76.5%
Quesscorp Holdings PTE. LTD, Singapore (Incorporated during FY 2015-16) @	Singapore	62.2%	69.6%	-
Quessglobal (Malaysia) SDN.BHD (Incorporated durin FY 2015-16) (formerly known as Brainhunter SDN. BHD., Malaysia) @	Malaysia	62.2%	69.6%	-
MFXchange Holdings Inc, Canada * @	Canada	62.2%	69.6%	-
MFXchange (Ireland) Limited @	Ireland	62.2%	69.6%	-
MFXchange Inc, USA @	USA	62.2%	69.6%	-
Comtel Solutions Pte Limited (Acquired during the year) @	Singapore	39.8%	-	-
Quess Corp Lanka Private Limited (Acquired during the year) @	Sri Lanka	62.2%	-	-
SITA World Travel (Nepal) Pvt Limited @@	Nepal	63.3%	63.3%	-
SITA World Travel Lanka (Pvt) Limited @@	Sri Lanka	100.0%	76.0%	-
KAT Management Consulting (Shanghai) Co Limited @@ (Liquidated during the year)	China	-	100.0%	-
Ikya Business Servies (Private) Limited @	Sri Lanka	62.2%	69.6%	-
<b>Associate Enterprise &amp; Joint Venture</b>				
MFXchange Holding Inc. *	Canada	-	-	49.0%
Terrier Security Services (India) Private Limited	India	30.5%	-	-
Simpliance Technologies Private Limited	India	16.8%	-	-
Himmer Industrial Services (M) SDN BHD	Malaysia	30.5%	-	-

Note 1: The Company has merged into Travel Circle International Limited effective from 13 December 2016

Note 2: The Company has dissolved with effect from 7 February, 2017. The transactions till February are being considered for consolidation purpose

\* MFXchange holdings Inc is a subsidiary of Quess Corp and Step down subsidiary of the Company from January 1, 2016

@ These companies are subsidiaries of Quess Corp Limited and step down subsidiaries of Thomas Cook (India) Limited

@@ These companies are subsidiaries of SOTC Travel Services Private Limited and step down subsidiaries of Thomas Cook (India) Limited

## These companies are subsidiaries of Sterling Holiday Resorts Limited and step down subsidiaries of Thomas Cook (India) Limited



# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 4(a): Property, Plant & Equipment**

Particulars	Freehold Land @	Office Building*	Leasehold Improvements	Furniture and Fixtures	Computer Equipment	Plant and Machinery	Leasehold Land	Office equipments	Vehicles	Electrical Fittings	Total
<b>Year ended 31 March 2016</b>											
<b>Gross carrying amount</b>											
Deemed Cost as at 1 April 2015	3,065.2	19,681.4	606.8	2,869.1	1,120.7	1,000.4	1,708.2	1,094.4	441.3	919.7	32,507.2
Acquisition / Taken over pursuant to business combination (Refer note 36)	1,870.2	517.3	3,222.3	546.1	3,900.6	295.3	-	669.9	633.7	72.2	11,727.6
Additions	549.2	21,634.9	328.0	2,944.3	1,834.5	1,262.6	-	1,037.6	271.4	1,870.0	31,732.5
Exchange differences	-	-	1.7	7.5	(24.2)	-	-	(9.0)	5.1	-	(18.9)
Disposals/transfer	(10.9)	(146.9)	(164.4)	(76.6)	(64.8)	(30.0)	(9.3)	(65.1)	(123.7)	-	(691.7)
<b>Closing gross carrying amount</b>	<b>5,473.7</b>	<b>41,686.7</b>	<b>3,994.4</b>	<b>6,290.4</b>	<b>6,766.8</b>	<b>2,528.3</b>	<b>1,698.9</b>	<b>2,727.8</b>	<b>1,227.8</b>	<b>2,861.9</b>	<b>75,256.7</b>
<b>Accumulated depreciation</b>											
Depreciation charge during the year	-	598.6	357.3	820.8	1,063.4	370.0	54.6	682.2	293.1	268.3	4,508.3
Acquisition / Taken over pursuant to business combination (Refer note 36)	-	-	2,036.6	413.9	1,924.0	115.0	-	498.7	64.8	-	5,053.0
Exchange differences	-	-	(3.0)	1.4	4.2	-	-	(11.1)	0.4	-	(8.1)
Disposals	-	(0.8)	(140.2)	(41.0)	(8.7)	(20.8)	-	(49.8)	(77.9)	-	(339.2)
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>597.8</b>	<b>2,250.7</b>	<b>1,195.1</b>	<b>2,982.9</b>	<b>464.2</b>	<b>54.6</b>	<b>1,120.0</b>	<b>280.4</b>	<b>268.3</b>	<b>9,214.0</b>
<b>Net carrying amount as at 31 March 2016</b>	<b>5,473.7</b>	<b>41,088.9</b>	<b>1,743.7</b>	<b>5,095.3</b>	<b>3,783.9</b>	<b>2,064.1</b>	<b>1,644.3</b>	<b>1,607.8</b>	<b>947.4</b>	<b>2,593.6</b>	<b>66,042.7</b>
<b>Gross carrying amount</b>											
Opening as at 1 April 2016	5,473.7	41,686.7	3,994.4	6,290.4	6,766.8	2,528.3	1,698.9	2,727.8	1,227.8	2,861.9	75,256.7
Acquisition / Taken over pursuant to business combination (Refer note 36)	-	-	-	1.5	12.7	-	-	7.3	-	-	21.5
Additions	6.2	3,817.3	589.4	1,704.3	1,869.9	766.5	-	468.2	542.4	827.4	10,591.6
Exchange differences	-	-	(42.5)	(10.8)	(96.4)	-	-	(5.2)	(1.9)	-	(156.8)
Disposals/transfer	-	(90.5)	(319.9)	(174.1)	(11.4)	(0.5)	-	(166.8)	(220.2)	(1.6)	(985.0)
<b>Closing gross carrying amount</b>	<b>5,479.9</b>	<b>45,413.5</b>	<b>4,221.4</b>	<b>7,811.3</b>	<b>8,541.6</b>	<b>3,294.3</b>	<b>1,698.9</b>	<b>3,031.3</b>	<b>1,548.1</b>	<b>3,687.7</b>	<b>84,728.0</b>
<b>Accumulated depreciation</b>											
Opening as at 1 April 2016	-	597.8	2,250.7	1,195.1	2,982.9	464.2	54.6	1,120.0	280.4	268.3	9,214.0
Depreciation charge during the year	-	991.3	608.5	1,031.3	2,011.1	414.1	22.2	559.5	443.0	388.3	6,469.3
Acquisition / Taken over pursuant to business combination (Refer note 36)	-	-	-	1.4	9.8	-	-	3.2	-	-	14.4
Exchange differences	-	-	(32.2)	(5.8)	(40.3)	-	-	(9.2)	(0.9)	-	(88.4)
Disposals	-	(3.5)	(202.6)	(88.2)	(9.6)	(0.5)	-	(130.7)	(170.9)	(0.7)	(606.7)
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>1,585.6</b>	<b>2,624.4</b>	<b>2,133.8</b>	<b>4,953.9</b>	<b>877.8</b>	<b>76.8</b>	<b>1,542.7</b>	<b>551.6</b>	<b>655.9</b>	<b>15,002.5</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>5,479.9</b>	<b>43,827.9</b>	<b>1,597.0</b>	<b>5,677.5</b>	<b>3,587.7</b>	<b>2,416.5</b>	<b>1,622.1</b>	<b>1,488.6</b>	<b>996.5</b>	<b>3,031.8</b>	<b>69,725.5</b>

\* Disposals/Transfer includes an amount of Rs. 101.2 lakhs under Gross carrying amount and Rs. 0.7 lakhs under accumulated depreciation which has been classified as held for sale as at 31 March 2016 (Refer Note 12)

@ Disposals/Transfer includes an amount of Rs.10.9 lakhs under Gross carrying amount and Rs.Nil under accumulated depreciation which has been classified as held for sale as at 31 March 2016 (Refer Note 12)

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(i) Leased Assets**

Land, Computers and Vehicles includes the following amounts where the group is a lessee under a finance lease:

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Land	Vehicles	Computer Equipment	Land	Vehicles	Computer Equipment	Land	Vehicles	Computer Equipment
Cost/Deemed Cost	1,698.9	420.5	4,680.5	1,698.9	383.4	3,689.0	1,708.2	231.3	-
Accumulated Depreciation	76.8	80.1	2,752.8	54.6	98.4	1,768.5	-	-	-
<b>Net carrying amount</b>	<b>1,622.1</b>	<b>340.4</b>	<b>1,927.7</b>	<b>1,644.3</b>	<b>285.0</b>	<b>1,920.5</b>	<b>1,708.2</b>	<b>231.3</b>	<b>-</b>

**(ii) Cost of Office Building includes:**

- (I) 140 (Previous year - 140, 1 April 2015 - 140) unquoted fully paid-up Shares of Rs 0.07 (Previous year Rs 0.07, 1 April 2015 Rs 0.07) in various Co-operative Societies.
- (II) Share application money of Rs 0.02 (Previous year Rs 0.02, 1 April 2015 Rs 0.02) to various Co-operative Societies.
- (III) Premises of Rs 1,155.1 (Previous year Rs 1,181.9, 1 April 2015 Rs 1,472.5) where the Co-operative Society is yet to be formed.
- (iv) Leasehold land of Rs. 1,698.94 lakhs represents parcels of land which were obtained by the Group for a lease term of 99 years. The upfront lease payment represented fair value of the land at the time of entering the agreement based on which it has been classified as a finance lease.
- (v) Refer Note 39 for certain property related matters.
- (vi) Refer Note 35 for assets held as pledge.

**Note 4(b): Capital work in progress**

1 April 2015	9,471.8
31 March 2016	4,614.0
31 March 2017	4,184.8

Capital work-in-progress mainly comprises of Computer Equipment, Properties, Furniture &amp; Fixtures and Office Equipment

**Contractual Obligations**

Refer Note 41(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 5: Goodwill**

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Carrying value at the beginning of the year</b>	107,787.9	64,239.4	
<b>Addition during the year:</b>			
Travel Circle International Limited (Formerly Known Kuoni Travel (China) Limited)	-	17,505.0	-
SOTC Travel Services Pvt Limited (Formerly Known as Kuoni Travel (India) Pvt Limited)	-	11,645.4	-
Luxe Asia Private Limited	-	369.4	-
Aravon Services Private Limited	-	73.0	-
MFExchange Holdings Inc.	-	8,979.9	-
Nature Trails Resorts Private Limited	-	71.0	-
Quess Corp Lanka (Private) Limited	99.1	-	-
Inticore VJP Advance Systems Private Limited	94.9	-	-
Comtel Solutions Pte Limited	18,106.1	-	-
Goodwill recognised due to Deferred Tax on Pre Acquisition Reserves (Refer Note 1)	-	4,802.3	-
Translation differences	(622.3)	102.5	-
<b>Total</b>	<b>125,465.7</b>	<b>107,787.9</b>	<b>64,239.4</b>

**Note 1**

Pertains to deferred tax recognized on pre acquisition reserve of SOTC Travel Services Pvt Limited and Travel Circle International Limited

**Break-up of Goodwill as at 1 April 2015**

Particulars	1 April 2015
Travel Corporation (India) Limited	14,539.7
Quess Corp Limited	22,187.0
Sterling Holiday Resorts Limited (Formerly known as Thomas Cook Insurance Services (India) Limited)	23,430.4
Sterling Holidays (Ooty) Limited	576.5
Sterling Holiday Resorts (Kodaikanal) Limited	710.9
Coachieve Solutions Private Limited	58.1
Brainhunter Systems Limited	2,736.9
<b>Carrying value at the beginning of the year</b>	<b>64,239.4</b>

**Impairment tests for goodwill**

Goodwill is monitored by the management at the Entity level ("CGU").

Entity level summary of goodwill allocation is presented below:

31 March 2017	Quess Group	Sterling Group	Travel Corporation (India) Limited	SOTC Group	Travel Circle International Limited	Others	Total
Goodwill	51,815.1	24,788.8	14,539.7	15,794.6	18,158.1	369.4	125,465.7
31 March 2016	Quess Group	Sterling Group	Travel Corporation (India) Limited	SOTC Group	Travel Circle International Limited	Others	Total
Goodwill	34,137.3	24,788.8	14,539.7	15,794.6	18,158.1	369.4	107,787.9
1 April 2015	Quess Group	Sterling Group	Travel Corporation (India) Limited	SOTC Group	Travel Circle International Limited	Others	Total
Goodwill	24,981.9	24,717.8	14,539.7	-	-	-	64,239.4

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Significant Estimate

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions (except goodwill arising on acquisition of Quess for which market capitalisation method is used to determine the fair value of the investment and for goodwill arising on acquisition of Sterling for which market value of tangible assets less fair value of liabilities method is used to determine the value in use). The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

## Fair value of Investment in Quess Corp Limited & Sterling Holiday Resorts Limited

Fair value of Investment in Quess is derived based on the market price prevailing on 31 March 2017 of shares quoted on Stock exchanges which is determined at Rs 542,463.3 lakhs which is more than the carrying value as at 31 March 2017. There is no material change in the fair value of Quess Corp from 31 March 2016 and 1 April 2015.

Fair value of Investment in Sterling is calculated by valuing the properties and freehold land by Independent Valuer after deducting the fair values of other tangible assets and liabilities. The fair value is more than the carrying value of the investment as at 31 March 2017, 31 March 2016 and 1 April 2015.

The following table sets out the key assumptions for the other CGUs that have significant goodwill allocated to them:

Particulars	Travel Corporation (India) Limited	SOTC Travel Services Pvt Limited	Travel Circle International Limited
<b>31 March 2017</b>			
Sales Volume % Growth	7.0% - 7.2%	7.0% - 7.2%	9.9% - 13.4%
Revenue % Growth	7%	7%	14.8%
Revenue Margin	18.7% - 19.0%	18.7% - 19.0%	18.4%-20.7%
Long Term Average Growth Rate	5%	5%	5%
Annualised Capital Expenditure	Rs 150	Rs 1,326	Rs 265.7
Pre-Tax Discount rate	8.9%	12.0%	12.0%
<b>31 March 2016</b>			
Sales Volume % Growth	7.0% - 7.2%	*	*
Revenue % Growth	7%	*	*
Revenue Margin	18.7% - 19.0%	*	*
Long Term Average Growth Rate	5%	*	*
Annualised Capital Expenditure	INR 150	*	*
Pre-Tax Discount rate	9.73%	*	*
<b>1 April 2015</b>			
Sales Volume % Growth	-5.1% - 15.7%		
Revenue % Growth	-10.0% - 14.5%		
Revenue Margin	17.3%-18.6%		
Long Term Average Growth Rate	5%		
Annualised Capital Expenditure	INR 608		
Pre-Tax Discount rate	10.03%		

SOTC Travel Services Pvt Limited (formerly known as Kuoni Travel (India) Pvt Limited) and Travel Circle International Limited (formerly known as Kuoni Travel (China) Limited) were acquired with effect from 1 January 2016 and 1 November 2015 respectively. There was no significant change to the underlying assumptions till 31 March 2016 and hence it supports the impairment assessment as well.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 6: Intangible assets**

Particulars	Brand Value	Software	Patents	Leased Software	Total
<b>Year ended 31 March 2016</b>					
<b>Gross carrying amount</b>					
Deemed cost as at 1 April 2015	8,946.1	1,736.4	-	-	10,682.5
Additions	-	848.7	-	-	848.7
Acquisition / Taken over pursuant to business combination (Refer note 36)	5,895.5	831.1	-	204.3	6,930.9
Translation Difference	-	1.5	-	0.2	1.7
<b>Closing gross carrying amount</b>	<b>14,841.6</b>	<b>3,417.7</b>	<b>-</b>	<b>204.5</b>	<b>18,463.8</b>
<b>Accumulated amortisation</b>					
Acquisition / Taken over pursuant to business combination (Refer note 36)	-	385.5	-	52.9	438.4
Amortisation charge for the year	647.1	886.2	-	17.3	1,550.6
Translation Difference	-	(0.6)	-	(0.3)	(0.8)
<b>Closing accumulated amortisation</b>	<b>647.1</b>	<b>1,271.1</b>	<b>-</b>	<b>70.0</b>	<b>1,988.2</b>
<b>Net carrying amount as at 31 March 2016</b>	<b>14,194.5</b>	<b>2,146.6</b>	<b>-</b>	<b>134.5</b>	<b>16,475.6</b>
<b>Year ended 31 March 2017</b>					
<b>Gross carrying amount</b>					
Opening as at 1 April 2016	14,841.6	3,417.7	-	204.5	18,463.8
Additions	-	939.9	4.8	268.2	1,212.9
Disposals	-	(62.7)	-	-	(62.7)
Translation Difference	-	(7.8)	-	(3.8)	(11.6)
<b>Closing gross carrying amount</b>	<b>14,841.6</b>	<b>4,287.1</b>	<b>4.8</b>	<b>468.9</b>	<b>19,602.4</b>
<b>Accumulated amortisation</b>					
Opening as at 1 April 2016	647.1	1,271.1	-	70.0	1,988.2
Amortisation charge for the year	705.0	1,144.4	0.8	143.5	1,993.7
Disposals	-	(26.3)	-	-	(26.3)
Translation Difference	-	1.1	-	-	1.1
<b>Closing accumulated amortisation</b>	<b>1,352.1</b>	<b>2,390.3</b>	<b>0.8</b>	<b>213.5</b>	<b>3,956.7</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>13,489.5</b>	<b>1,896.8</b>	<b>4.0</b>	<b>255.4</b>	<b>15,645.7</b>

**(i) Internally generated / developed software:**

Intangible Assets (software) includes internally generated / developed software - Gross Block Rs 1,774.9 (Previous year Rs 1,774.9, 1 April 2015 Rs 1,774.9); Net Block Rs 127.9 (Previous year Rs 336.2, 1 April 2015 Rs 600.6).

**(ii) Leased Assets**

Software includes leased Assets under finance lease where the assets have been fully depreciated as at 1 April 2015

**Note 7: Investments accounted for using equity method**

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Investment in associates</b>			
<b>Unquoted</b>			
Terrier Security Services (India) Private Limited	7,388.6	-	-
Simpliance Technologies Private Limited	8.4	-	-
<b>Investment in joint venture</b>			
<b>Unquoted</b>			
Himmer Industrial Services (M) SDN BHD	1.4	-	-
<b>Total</b>	<b>7,398.4</b>	<b>-</b>	<b>-</b>
<b>Aggregate amount of unquoted investments</b>	<b>7,398.4</b>	<b>-</b>	<b>-</b>
<b>Aggregate amount of impairment in the value of investments</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 8: Financial Assets****8(a) Non-Current Investments**

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Quoted</b>			
- Fair value through profit and loss			
Investment in equity shares	0.9	0.5	0.8
<b>Unquoted</b>			
- Fair value through profit and loss			
Investment in equity shares	9.6	9.6	9.6
<b>Unquoted</b>			
- Fair value through OCI			
Investment in equity shares	165.5	165.5	-
Investment in preference shares	22,000.0	-	-
Others	201.7	201.7	-
<b>Total</b>	<b>22,377.8</b>	<b>377.3</b>	<b>10.4</b>
Aggregate amount of quoted investments	0.9	0.5	0.8
Aggregate amount of unquoted investments	22,376.9	376.8	9.6
Market value of quoted investments	0.9	0.5	0.8
Aggregate amount of impairment in the value of investments	0.2	0.2	0.2

**8(b) Current Investments**

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Quoted</b>			
<b>Fair value through profit and loss</b>			
Investment in Mutual Funds	13,230.9	12,109.8	33,662.1
Investment in Equity Shares	-	0.7	-
<b>Unquoted</b>			
<b>At amortised cost</b>			
Investment in Government Securities	924.7	867.2	392.1
<b>Total</b>	<b>14,155.6</b>	<b>12,977.7</b>	<b>34,054.2</b>
<b>Aggregate Amount of quoted investments and market value thereof</b>	<b>13,230.9</b>	<b>12,110.5</b>	<b>33,662.1</b>
<b>Aggregate Amount of unquoted investments</b>	<b>924.7</b>	<b>867.2</b>	<b>392.1</b>
<b>Aggregate Amount of impairment in the value of investments</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 8(c) : Trade receivables**

Particulars	31 March 2017	31 March 2016	1 April 2015
Non Current Trade receivables	6,899.0	7,266.8	4,830.2
Less : Allowance for doubtful debts	(607.3)	(1,534.9)	(443.4)
Less : Deferred Income	(787.9)	(1,989.6)	-
<b>Total</b>	<b>5,503.8</b>	<b>3,742.3</b>	<b>4,386.8</b>
Trade receivables	110,141.0	103,799.4	66,070.6
Less : Allowance for doubtful debts	(10,919.0)	(13,097.4)	(5,804.2)
Less : Deferred Income	(5,341.3)	(7,932.3)	-
<b>Total</b>	<b>93,880.7</b>	<b>82,769.7</b>	<b>60,266.4</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Break up of Security Details**

Particulars	31 March 2017	31 March 2016	1 April 2015
Secured, considered good	-	-	-
Unsecured, considered good	105,513.7	96,433.9	64,653.2
Unsecured, considered doubtful	11,526.3	14,632.3	6,247.6
Total	117,040.0	111,066.2	70,900.8
Less : Allowance for doubtful debts	(11,526.3)	(14,632.3)	(6,247.6)
Less: Deferred Income	(6,129.2)	(9,921.9)	-
Total	99,384.5	86,512.0	64,653.2
<b>Current Portion</b>	93,880.7	82,769.7	60,266.4
<b>Non-Current Portion</b>	5,503.8	3,742.3	4,386.8

**Note 8(d) : Cash and cash equivalents**

Particulars	31 March 2017	31 March 2016	1 April 2015
Balances with banks :			
In current accounts	52,450.4	35,613.5	12,495.8
Fixed Deposits with original maturity of less than three months *	60,076.3	53,591.3	650.8
Balance in EEFC accounts	173.3	45.6	54.0
Cash & Cheques on hand:			
Remittance in Transit (including foreign currencies - Notes and paid documents)	746.4	1,718.1	3,358.0
Cheques on hand	1,261.0	714.7	687.3
Cash on hand (including foreign currencies - Notes and paid documents)	5,234.6	5,532.4	6,449.5
Total	119,942.0	97,215.6	23,695.4

\* Includes lien as per terms of contract with Moneygram and on lien with airport authority Rs. 3.2 (Previous year Rs. 1338.6, 1 April 2015 Rs. 2.5)

**Note 8(e) : Bank balances other than cash and cash equivalents**

Particulars	31 March 2017	31 March 2016	1 April 2015
Fixed Deposits with original maturity of more than three months but less than 12 months*	17,631.9	1,149.7	4,095.5
Unclaimed dividend	28.1	26.6	18.2
Total	17,660.0	1,176.3	4,113.7

\* Includes lien as per terms of contract with Moneygram and on lien with airport authority INR 1,256.5 (Previous year INR 96.1, 1 April 2015 INR 20.8)

**Note 8(f) : Loans**

Particulars	Non-current	Current	Non-current	Current	Non-current	Current
	31 March 2017	31 March 2017	31 March 2016	31 March 2016	1 April 2015	1 April 2015
<b>Unsecured, considered good</b>						
Loans to employees	96.4	646.1	-	670.9	6.0	415.1
Loans to related parties	-	842.7	-	150.5	-	-
Total	96.4	1,488.8	-	821.4	6.0	415.1



# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 8(g) Other financial Assets**

Particulars	Non-current 31 March 2017	Current 31 March 2017	Non-current 31 March 2016	Current 31 March 2016	Non-current 1 April 2015	Current 1 April 2015
Fixed deposits with maturity for more than 12 months*	2,642.9	4.9	3,610.4	-	957.4	-
Security Deposits	4,078.5	6,098.3	6,118.7	2,580.9	4,318.0	1,048.0
<b>Others</b>						
Accrued Revenue	-	42,955.2	-	32,561.5	-	19,359.8
Advance to Related Parties	**	-	-	-	-	39.5
Insurance claim receivable	-	217.1	-	241.2	-	183.2
Interest accrued on Bank deposits	-	282.0	-	115.7	-	118.8
Interest receivable on trade receivables	-	-	-	-	-	794.0
Receivable on sale of fixed assets (Refer Note 39(b))	527.1	-	527.1	-	527.1	-
Derivative assets - current	-	476.1	-	336.2	-	-
Others	-	1,337.2	293.1	1,269.2	-	275.9
<b>Total</b>	<b>7,248.6</b>	<b>51,370.8</b>	<b>10,549.3</b>	<b>37,104.7</b>	<b>5,802.5</b>	<b>21,819.2</b>

\* On lien as per terms of contract with Moneygram and on lien with airport authority Rs. 1,683.9 (Previous Period Rs. 1,644.4, 1 April 2015 Rs. 116.4)

\*\* Amount is below the rounding off norm adopted by the Group

**Note 9(a): Other Non-Current Assets**

Particulars	31 March 2017	31 March 2016	1 April 2015
Capital advances	670.2	503.4	2,280.5
Balances with Government authorities	293.3	153.7	186.7
Advance paid to Gratuity Fund	51.6	-	-
Prepaid expenses	813.5	1,186.4	1,062.9
Others	-	0.4	-
<b>Total</b>	<b>1,828.6</b>	<b>1,843.9</b>	<b>3,530.1</b>

**Note 9(b): Other Current Assets**

Particulars	31 March 2017	31 March 2016	1 April 2015
Advance to Suppliers			
Unsecured considered good	38,704.3	27,084.2	1,523.6
Unsecured considered doubtful	2,501.0	1,518.9	27.4
Less: Allowance for doubtful advances	(2,501.0)	(1,518.9)	(27.4)
Advance paid to gratuity fund	7.0	11.6	-
Advance to Employees			
Unsecured considered good	973.6	1,133.8	89.7
Unsecured considered doubtful	77.6	87.0	14.2
Less: Allowance for doubtful advances	(77.6)	(87.0)	(14.2)
Prepaid expenses	3,617.4	4,033.4	13,008.8
Other loans and advances	63.8	22.1	73.3
Export Benefit Receivable	821.4	-	-
Balances with Government authorities	1,074.5	742.8	98.2
<b>Total</b>	<b>45,262.0</b>	<b>33,027.9</b>	<b>14,793.5</b>

## Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 10 : Inventories**

Particulars	31 March 2017	31 March 2016	1 April 2015
Food and Beverages	49.8	40.2	34.0
Raw material, consumables and other supplies	278.1	251.8	268.6
Stores and spares	425.3	75.7	-
Total	753.1	367.7	302.6

**Note 11 : Non-Current tax assets**

Particulars	31 March 2017	31 March 2016	1 April 2015
Non Current Tax Assets (TDS and Advance tax)	31,971.5	12,223.1	7,769.1
Total	31,971.5	12,223.1	7,769.1

**Note 12 : Assets classified as held for sale**

Particulars	31 March 2017	31 March 2016	1 April 2015
Land & Building*	-	108.4	-
Office building	-	3.0	-
Total	-	111.4	-

\*In 2015, the Directors of Sterling Holiday Resorts Limited decided to sell surplus land measuring 3,645 sq mts together with building at Goa (Vagator Property). The sale was effected on July 27, 2016. The assets are carried at lower of cost or the fair value less costs to sell of the assets at the time of reclassification. Since the asset is carried at cost which is lower than the fair value less costs to sell, there is no resultant gain or loss recognised in the consolidated statement of profit and loss.

**Note 13(a) Share Capital**

Particulars	Equity Share capital #		Preference Share Capital *	
	Number of shares (In Lakhs)	Amount	Number of shares (In Lakhs)	Amount
<b>AUTHORISED</b>				
<b>As at 1 April 2015</b>	<b>5,058.3</b>	<b>5,058.3</b>	<b>2,404.2</b>	<b>24,041.7</b>
Movement during the year	8,291.7	8,291.7	95.8	958.3
<b>As at 31 March 2016</b>	<b>13,350.0</b>	<b>13,350.0</b>	<b>2,500.0</b>	<b>25,000.0</b>
Movement during the year	-	-	-	-
<b>As at 31 March 2017</b>	<b>13,350.0</b>	<b>13,350.0</b>	<b>2,500.0</b>	<b>25,000.0</b>

Par value of equity share Re 1/- and preference shares Rs 10/-

#Consists of following:

1,335,000,000 (Previous year 1,335,000,000, 1 April 2015 505,827,060) Equity Shares of Re. 1/- each

\* Consists of following:

- Nil (Previous year Nil, 1 April 2015 114,760,000) 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each)
- Nil (Previous year Nil, 1 April 2015 355,294) 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each
- Nil (Previous year Nil, 1 April 2015 302,000) 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each
- Nil (Previous year Nil, 1 April 2015 125,000,000) 'Class D' 0.001% Preference Shares of Rs. 10/- each
- 250,000,000 (Previous year 250,000,000, 1 April 2015 Nil) 8.50% Non Convertible Cumulative Redeemable Preference Shares of Rs 10/- each

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(i) Movement in Equity Share Capital and Other Capital**

Particulars	Equity share capital		Class D' 0.001% Compulsory convertible Preference share capital (CCPS)	
	Number of shares (In Lakhs)	Amount	Number of shares (In Lakhs)	Amount
<b>As at 1 April 2015</b>	3,213.9	3,213.9	44.2	442.3
Add/(Less): Conversion of CCPS (Refer (b) below)	442.3	442.3	(44.2)	(442.3)
Add: Addition on account of stock options allotment	2.6	2.6	-	-
<b>As at 31 March 2016</b>	<b>3,658.8</b>	<b>3,658.8</b>	-	-
Add: Addition on account of stock options allotment	8.8	8.8	-	-
<b>As at 31 March 2017</b>	<b>3,667.6</b>	<b>3,667.6</b>	-	-

**Terms and rights attached to Equity Shares and Preference Shares**

- a) The Company has one class of equity shares having a par value of Re 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution to preference shareholders of all preferential amounts, in proportion to their shareholding.
- b) CCPS:- 6,250,000 CCPS of Rs 10/- each were allotted on 13 March 2014 to Fairbridge Capital (Mauritius) Limited at a price of Rs 800/- each which includes a premium of Rs 790/- per share in order to partly fund the investment made by Thomas Cook Insurance Services (India) Limited in Sterling Holiday Resorts (India) Limited. The CCPS was entitled to a dividend of 0.001% per annum. On March 9, 2015, out of total 6,250,000 CCPS, 1,827,000 of Rs 10/- each were converted into 18,270,000 equity shares of Re 1/- each. On 8 September 2015, remaining 4,423,000 CCPS of Rs 10/- each were converted in 44,230,000 equity shares of Re 1/- each.

**Shares reserved for issue under options**

Information relating to Thomas Cook India Limited's Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 33.

**(ii) Shares of the company held by the Subsidiaries of the ultimate holding company**

Particulars	31 March 2017		31 March 2016		1 April 2015	
	No of Shares (In Lakhs)	Amount	No of Shares (In Lakhs)	Amount	No of Shares (In Lakhs)	Amount
<b>Equity Shares</b>						
Fairbridge Capital (Mauritius) Limited	2,481.5	2,481.5	2,481.5	2,481.5	1,227.5	1,227.5
H Investments	-	-	-	-	811.7	811.7
<b>CCPS</b>						
Fairbridge Capital (Mauritius) Limited	-	-	-	-	44.2	442.3

**(iii) Shareholding Pattern (Shareholders holding 5% or more shares in the Company)**

Category of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	Number of shares (In Lakhs)	% of Holding	Number of shares (In Lakhs)	% of Holding	Number of shares (In Lakhs)	% of Holding
<b>Equity Shares</b>						
Fairbridge Capital (Mauritius) Limited	2,481.5	67.66%	2,481.5	67.82%	1,227.5	45.01%
H Investments	-	-	-	-	811.7	29.76%
<b>CCPS</b>						
Fairbridge Capital (Mauritius) Limited	-	-	-	-	44.2	100.00%

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(iv) Aggregate number of shares issued for consideration other than cash**

Particulars	31 March 2017	31 March 2016	1 April 2015
Shares issued as consideration for acquisition of Subsidiary (Refer Note 36.B.vii)	-	-	48,657,929

**Note 13 (b) : Reserves and surplus**

Particulars	31 March 2017	31 March 2016	1 April 2015
Capital Reserve	2,916.8	2,916.8	2,916.8
Capital Redemption Reserve	2,380.9	595.2	-
Debenture Redemption Reserve	2,650.2	2,339.2	1,305.6
Share Option Outstanding Amount	3,507.7	2,991.5	1,720.5
Securities Premium Account	116,845.2	91,964.3	91,920.5
General Reserves	4,516.7	3,683.4	3,564.3
Retained Earnings	15,063.4	15,707.4	26,304.9
Currency Translation Reserve	516.0	849.3	460.6
Total	148,396.8	121,047.0	128,193.2

**(i) Capital Reserve**

Particulars	31 March 2017	31 March 2016
Opening Balance	2,916.8	2,916.8
Closing Balance	2,916.8	2,916.8

**(ii) Capital Redemption Reserve**

Particulars	31 March 2017	31 March 2016
Opening Balance	595.2	-
Add: Transfer from retained earnings	1,785.7	595.2
Closing Balance	2,380.9	595.2

**(iii) Debenture Redemption Reserve**

Particulars	31 March 2017	31 March 2016
Opening Balance	2,339.2	1,305.6
Add: Transfer from retained earnings	1,144.3	1,033.6
Less: Transfer to general reserves	(833.3)	-
Closing Balance	2,650.2	2,339.2

**(iv) Share Option Outstanding Amount**

Particulars	31 March 2017	31 March 2016
Opening Balance	2,991.5	1,720.5
Add: Charge towards stock options	1,089.8	1,442.6
Less: Transfer to Securities Premium on exercise of stock options	(573.6)	(45.1)
Less: Cancellation of subsidiary ESOPs	-	(126.5)
Closing Balance	3,507.7	2,991.5

**(v) Securities Premium Account**

Particulars	31 March 2017	31 March 2016
Opening Balance	91,964.3	91,920.5
Add: Addition on account of Stock Options allotment and IPO Proceeds	26,148.4	119.0
Add: Transfer from Share Option Outstanding	573.6	45.1
Less: Amount utilised for IPO	(1,841.1)	-
Less: Share Issue Expense	-	(120.3)
Closing Balance	116,845.2	91,964.3

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(vi) General Reserve**

Particulars	31 March 2017	31 March 2016
Opening Balance	3,683.4	3,564.3
Add: Transfer from Debenture Redemption Reserve	833.3	-
Add: Transfer from Share Options Outstanding Reserve upon cancellation	-	119.1
Closing Balance	4,516.7	3,683.4

**(vii) Retained Earnings**

Particulars	31 March 2017	31 March 2016
Opening Balance	15,707.4	26,304.9
Share of Net Profit/ (Loss) for the year	3,818.1	(7,789.0)
Share of Comprehensive Income for the year	123.0	340.1
Dividends including dividend distribution tax	(1,655.1)	(1,519.9)
Transfer to capital redemption reserve	(1,785.7)	(595.2)
Transfer to debenture redemption reserve	(1,144.3)	(1,033.5)
Closing Balance	15,063.4	15,707.4

**(viii) Currency Translation Reserve**

Particulars	31 March 2017	31 March 2016
Opening Balance	849.3	460.6
Add/(Less) : Increase/(Decrease) during the year	(333.3)	388.7
Closing Balance	516.0	849.3

**Nature and Purpose of Reserves****Capital reserve**

It will be utilised in accordance with The Companies Act, 2013.

**Capital Redemption Reserve**

The Group has issued Non convertible cumulative redeemable preference shares. In order to comply with the requirements of section 69 of The Companies Act, 2013, the group has transferred amounts to Capital Redemption Reserve.

**Debenture Redemption Reserve**

The Group has issued Non Convertible Debentures. In order to comply with the requirements of section 71 of The Companies Act, 2013, the Group has transferred amounts to Debenture Redemption Reserve.

**Share Option Outstanding Amount**

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under the Group's Employees stock option plan.

**General reserves**

General reserve is used to record transfer from capital redemption reserve and debenture redemption reserve. The reserve is utilised in accordance with the provisions of the Companies Act.

**Securities Premium reserves**

Securities premium reserve is used to record the premium on issue of shares and towards allotment of ESOP. The reserve is utilised in accordance with the provisions of the Companies Act.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 14: Financial Liabilities****14(a) Non-Current Borrowings**

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Secured:</b>			
Obligations under Finance Lease [Refer note (a)]	2,301.4	2,085.1	158.2
1500 8.25% Redeemable Non-Convertible Debentures [Refer note (b)]	15,000.0	-	-
Term loans from banks [Refer note (c)]	27,775.9	20,521.4	347.0
Term loans from Others [Refer note (d)]	2.1	978.5	-
<b>Unsecured:</b>			
1000 10.52% Redeemable Non-Convertible Debentures [Refer note (b)]	3,333.7	6,666.7	10,000.0
1000 9.37% Redeemable Non-Convertible Debentures [Refer note (b)]	10,000.0	10,000.0	-
125,000,000 8.5% Non Convertible Cumulative Redeemable Preference Shares ("NCCRPS") of 10 each [Refer note (g)]	12,500.0	12,500.0	-
Term loans from banks [Refer note (e)]	3,300.0	4,500.0	-
Vehicle loans [Refer note (f)]	39.3	15.6	-
	74,252.3	57,267.3	10,505.2
Less: Issue Expenses	488.9	401.9	38.9
<b>Total</b>	<b>73,763.4</b>	<b>56,865.4</b>	<b>10,466.3</b>

**(a) Nature of Security and terms of repayment for secured borrowings****Nature of Security**

Finance Lease Obligations and Vehicle Loan are secured by hypothecation of assets underlying the leases.

**Terms of Repayment**

Monthly payment of Equated Monthly Instalments beginning from the month of taking the lease.

**(b) Secured/Unsecured non-convertible debentures:**

During the year ended 31 March 2017, Quess issued 1,500 redeemable non-convertible debentures at a face value of Rs 10 each aggregated to Rs 15,000. The proceeds from debentures shall be utilised for Quess's long-term working capital, payment of transaction related expenses related to capital issue and general corporate purpose but shall not be used for any real estate business, equity trading/speculative business. The debentures carry a coupon rate of 8.25% p.a. payable annually and is to be redeemed after 5 years from the date of allotment without any redemption premium. These debentures are secured by way of exclusive charge on all the movable and immovable assets of Quess.

1,000 Debentures on April 15, 2013 aggregating to Rs. 10,000.0 of face value of Rs. 10.0 each; carrying a coupon rate of 10.52% p.a., payable annually. These debentures are redeemable equally at the end of the 3rd, 4th and 5th year from the date of allotment.

1,000 Debentures of face value Rs. 10.0 each aggregating to Rs. 10,000.0 were issued & allotted on August 31, 2015; carrying a coupon rate of 9.37% p.a., payable annually. These debentures are redeemable equally at the end of the 3rd, 4th and 5th year from the date of allotment.

**(c) Long Term Loan from Banks**

- i) Loan amounting to Rs. 4,971.0 (net of processing fees) from HDFC Bank Limited is secured by way of hypothecation of movable fixed assets acquired through the term loan at resorts namely Mussoorie, Manali, Darjeeling, Ooty Fern Hill and Kodai Valley View and by way of pledge of immovable properties at Mussoorie and Yercaud and is repayable in 24 equal quarterly installments including a moratorium of 12 months from the date of loan (January 4, 2016) along with an interest rate of 11% per annum. The loan amount outstanding as at year end is Rs. 4,971.0 (March 31, 2016: Rs. 2,955.5, April 01, 2015: Nil).
- ii) Loan amounting to Rs. 2,500.0 from HDFC Bank Limited is repayable in 44 monthly installments commencing from August 24, 2015 along with an interest rate of base rate + 1.55% per annum. The loan is secured by way of assignment of receivables amounting to Rs. 4,439.2 with 100% recourse to Sterling. The loan amount outstanding as at year end is Rs. 1,222.5 (March 31, 2016: Rs. 2,061.9, April 01, 2015: Nil).
- iii) Loan amounting to Rs. 700.0 availed from HDFC Bank Limited is repayable in 44 months commencing from October 25, 2013 along with an interest rate of base rate + 3.2% per annum. The loan is secured by way of assignment of receivables amounting to Rs. 1,158.8 with 100% recourse to Sterling and an equitable mortgage on Yelagiri property. The loan amount outstanding as at year end is Rs. 17.2 (March 31, 2016: Rs. 197.7, April 01, 2015: Rs. 392.0).
- iv) Loan amounting to Rs. 46.4 availed from Kotak Mahindra Bank is repayable in 47 months commencing from April 2012 along with an interest rate of 12% per annum. The loan is secured by way of Hypothecation of 6 vehicles. The loan amount outstanding as at year end is Rs. Nil (March 31, 2016: Nil, April 01, 2015: Rs. 12.8).

## Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

- v) Loan amounting to Rs. 490.0 from HDFC Bank is secured by way of exclusive charge on Current Assets of Rs. 395.0 , Lien on debt mutual funds (Liquid Plus Fund) of Rs. 770.0 and Movable fixed Assets of Rs.203.1 and is repayable in 24 Quarterly installments starting from the date of loan (October 31, 2016) along with an interest at the rate of 10% per annum. The loan amount outstanding as at year end is Rs. 491.1 (March 31, 2016: Rs. 4.2 , April 01, 2015: Nil ).
  - vi) During the year ended 31 March 2017, Quess has taken term loan from Axis Bank Limited, Hong Kong amounting to Rs. 10724.9 . The loan carries interest rate of LIBOR+Margin payable half yearly. The repayment shall be half yearly starting after 12 months from the first utilisation date. The proceeds from the loan have been utilised for acquisition of Comtel Solutions Pte Ltd.
  - vii) Bank Loan amounting to Rs.1620.0 is Secured by way of pledge of 7,300,000 shares of Brainhunter Systems Limited held by Quess Corp (USA) Inc. and corporate guarantee given by Quess Corp Limited and is repayable in 12 quarterly installments, first installment starting from 1 December 2016.
  - viii) Bank Loan amounting to Rs. 114.0 Secured by way of paripassu first charge on the current assets and movable fixed assets of Inticore VJP Advance Solutions Private Limited and is repayable in 33 monthly installments, first installment starting from 23 February 2017.
  - ix) Rs 14,353.4 (HKD 1,720 ) pertains to loan availed by Travel Circle International Limited from SBI Hong Kong in the previous year and backed by a charge on current assets of Travel Circle International Limited. The same is repayable in 13 equal six monthly installments of HKD 140 and last installment of HKD 180 beginning from May 6, 2016 along with six-monthly interest which is 6M HIBOR + 2.5%.
- (d) Term loans from Others
- i) Loan amounting to Rs. 1,500.0 availed during the year from HDFC Limited is repayable in 36 months commencing from January 25, 2016 along with a floating interest rate of 11% per annum. The loan is secured by way of assignment of receivables amounting to Rs. 2,794.79 with 100% recourse to Sterling. The loan amount outstanding as at year end is Rs.Nil (March 31, 2016: Rs.1,394.8 , April 01, 2015: Nil).
  - ii) Loan amounting to Rs. 700.0 availed from HDFC Limited is repayable in 36 months commencing from May 31, 2013 along with an Interest rate of Corporate prime lending rate + 4.25% per annum. The loan is secured by way of assignment of receivables amounting to Rs. 1,306 with 100% recourse to Sterling. The loan amount outstanding as at year end is Rs.Nil (March 31, 2016: Rs.25.0, April 01, 2015: Rs. 246.1).
  - iii) Loan amounting to Rs. 500.0 availed from L&T Finance Limited is repayable in 47 months commencing from December 16, 2013 along with an Interest rate of 13% per annum. The loan is secured by way of assignment of receivables amounting to Rs. 750.3 with 100% recourse to Sterling and registered mortgage on land measuring 12 acres together with unfinished buildings situated at Yelagiri. The loan amount outstanding as at year end is Rs.Nil (March 31, 2016: Rs.190.4 , April 01, 2015: Rs.311.0).
- e) Term loans from Banks
- Rs 4,500.0 pertains to loan availed by Subsidiary Travel Corporation (India) Limited and backed by Corporate Guarantee from the Company and a Negative Lien over commercial property located at Marathon, Lower Parel jointly owned by the Company and its subsidiary Travel Corporation (India) Limited. The same is repayable in 20 equal quarterly installments beginning from the quarter subsequent to taking the loan (October 2015) along with monthly interest which is base rate + 1%.
- (f) Vehicle Loans
- Quess has availed vehicle loan at interest rate ranging from 11.98% to 14.28%. Year of maturity for these loans range from 2018 to 2019.
- (g) Non-convertible Cumulative Redeemable Preference Shares
- In the previous year, 125,000,000 NCCRPS of Rs. 10 each were allotted on December 1, 2015 (due for redemption on December 1, 2022 at par) to HWIC Asia Fund, which is ultimately held by Fairfax Financial Holdings Limited, Canada (the ultimate promoter) at face value in order to partly fund the investment made by the Company in SOTC Travel Services Private Limited (formerly known as 'Kuoni Travel India (Private) Limited'). The NCCRPS are entitled to a dividend of 8.5% per annum. The Company has proposed to the Reserve Bank of India, that the Promoter will not divest any of its shareholdings in the Company (except inter-se transfers) till such time the NCCRPS is not redeemed.



# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**14(b) Current Borrowings**

Particulars	31 March 2017	31 March 2016	1 April 2015
Secured			
Bank Overdrafts [Refer note (a)]	1,787.3	351.0	-
Cash credit and overdraft facilities [Refer note (c)]	15,434.5	18,645.2	14,107.3
Bill discounting facility from bank [Refer note (d)]	2,540.2	3,692.4	2,288.8
Working capital loan [Refer note (e)]	26,792.5	8,751.0	5,300.0
Unsecured			
Bank Overdrafts	5,937.0	2,432.8	5,904.7
From Others [Refer note (b)]	-	54.1	-
From Fairfax (US), Inc. [Refer note (f)]	2,594.0	2,650.2	-
From Fairfax Financial Holdings Limited [Refer note (f)]	496.9	512.3	346.6
<b>Total</b>	<b>55,582.3</b>	<b>37,088.9</b>	<b>27,947.4</b>

**a) Secured Bank Overdraft**

- i Short term borrowing of Rs.1703.8 (March 31, 2016 Rs. 350.9 , April 1, 2015: Rs.Nil) is secured by first and exclusive charge on immovable property being land situated at Kodaikanal and further secured by first and exclusive hypothecation charge on all existing and future inventory and receivables relating to Resorts.
- ii Short term borrowing of Rs.49.1 (March 31, 2016 Rs. Nil, April 1, 2015: Rs.Nil) is secured by first and exclusive hypothecation charge on all existing and future inventory and receivables relating to resorts.

**b) Unsecured borrowings from others**

Unsecured loan amounting to Rs.Nil (March 31, 2016 Rs. 54.0 , April 1, 2015: Rs.Nil) are due to the erstwhile promoters of Nature Trails Resorts Pvt. Limited at an interest rate of 14% p.a and the loan amount is repayable within one year.

**c) Cash credit and overdraft facilities**

Cash credit from banks are secured primarily by way of exclusive charge on the current assets of Quess with a carrying amount of Rs 111,390.3 (31 March 2016: Rs 79,630.4 ) and on the movable assets of Quess with a carrying amount of Rs 61,514.2 (31 March 2016: Rs 28,013.5 ).

**d) Bill discounting facility from bank**

Credit availed on bills discounted from banks are secured primarily by way of pari passu first charge on the current assets of Quess with a carrying amount of Rs 105,482.4 (31 March 2016: Rs 71,730.8 ) and additionally by way of pari passu first charge on the movable assets of Quess with a carrying amount of Rs 58,153.6 (31 March 2016: Rs 24,472.1 ).

**e) Working capital loan**

Subsidiaries of the Company have taken working capital loan from banks having interest rate ranging from 3.47% to 9.95%. These facilities are repayable on demand / as per payment schedule and are secured primarily by way of pari passu first charge on the current assets and movable assets of the respective subsidiaries.

**f) MFXchange US, Inc.- a subsidiary of Quess and Step down subsidiary of the Company had entered into an arrangement with Fairfax (US) Inc. to obtain a revolving credit facility upto Rs 3,312.7 (USD 50.0) which carries an interest rate of 3% - 5% per annum on incremental basis each year upto 3 November 2018.**

This represents interest free unsecured loan taken by Brainhunter Systems Limited a subsidiary of Quess and Step down subsidiary of the Company from Fairfax Financial Holdings Limited {Rs 496.9 (CAD 10.2) [31 March 2016: Rs 512.30 (CAD 10.0)]}. The loan is repayable on demand.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**14(c) Other Financial Liabilities**

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
<b>Current</b>						
Current maturities of Long term Borrowings (Refer Note 14(a) above)	-	8,017.3	-	9,011.8	-	931.0
Current maturities of finance lease obligations (Refer Note 14(a) above)	-	1,427.9	-	1,234.3	-	87.4
Deposits received from vendor	215.4	2,985.8	220.6	3,134.4	-	3447.6
Unpaid Dividend	-	28.1	-	26.6	-	18.2
Interest accrued	-	2,307.1	-	2,335.6	-	1132.7
Liabilities against expense	-	1,170.8	-	1,153.7	-	167.5
Liabilities against Fixed Assets	70.2	1,048.1	279.7	1,245.9	127.3	391.3
Payable for acquisition of business						
Forward Contract	4,170.4	998.3	-	109.7	-	-
Consideration Payable	-	1,507.9	-	-	-	-
Contingent Consideration payable	2,715.8	431.3	3,380.2	-	-	-
Non Controlling Interest - Put Option	6,924.0	-	-	-	-	-
Contingent Liabilities recognised on Business Combination	-	3,283.0	-	3,283.0	-	-
Guarantees given to bank on behalf of related parties	165.2	99.5	256.5	119.7	-	-
Others	-	396.6	-	346.5	66.7	174.5
<b>Total</b>	<b>14,261.0</b>	<b>23,701.9</b>	<b>4,137.0</b>	<b>22,001.3</b>	<b>194.0</b>	<b>6,350.3</b>

**14 (d) Trade Payables**

Particulars	31 March 2017	31 March 2016	1 April 2015
-Dues of micro enterprises and small enterprises	1.6	9.7	-
-Dues of creditors other than micro enterprises and small enterprises			
(i) Acceptances	-	-	-
(ii) Other @#	121,583.1	107,221.1	32,615.0
<b>Total</b>	<b>121,584.7</b>	<b>107,230.8</b>	<b>32,615.0</b>

@ Includes Book Overdrafts aggregating to Rs. 2,481.5 (Previous year Rs. 6486.6, 1 April 2015 Rs. 1426.0)

# Includes Rs. 36,278.2 secured by bank guarantee of USD 171.0 (Rs. 11,089.3), Previous year Rs. 29,667.1 secured by bank guarantee of USD 171.0 (Rs. 11,329.6), 1 April 2015 Nil

**Note 15: Provisions**

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Non-Current	Current	Total	Non-Current	Current	Total	Non-Current	Current	Total
Other Provisions									
-Rent Equalisation Reserve	88.9	96.8	185.7	100.9	910.9	1,011.8	966.1	527.3	1,493.5
-Provision for Taxes	-	14,555.0	14,555.0	-	-	-	-	-	-
- Provision for Fringe Benefit Tax	-	74.4	74.4	-	74.4	74.4	-	74.4	74.4
- Provision for Stamp duty *	-	2,139.2	2,139.2	-	2,139.2	2,139.2	-	-	-
-Provision for Litigation and disputes	789.3	377.8	1,167.1	1,437.7	-	1,437.7	277.0	-	277.0
-Provision for Expenses	-	769.3	769.3	-	-	-	-	-	-
-Provision for warranty	-	-	-	-	-	-	-	120.0	120.0
-Others	-	-	-	-	-	-	-	10.8	10.8
<b>Total</b>	<b>878.2</b>	<b>18,012.5</b>	<b>18,890.7</b>	<b>1,538.6</b>	<b>3,124.5</b>	<b>4,663.1</b>	<b>1,243.1</b>	<b>732.5</b>	<b>1,975.7</b>

\* Pursuant to the Composite scheme of arrangement and amalgamation, the immovable properties of the demerged undertaking (Timeshare & Resorts business) is being transferred within the Group. On the basis of legal opinion, the Group has made a provision amounting to Rs. 2139.2 for the stamp duty liability that may arise.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(i) Movement in Provisions**

Particulars	Rent Equalisation Reserve	Provision for Taxes	Provision for Fringe Benefit Tax	Provision for Stamp duty	Provision for Litigation and disputes	Provision for Expenses	Provision for warranty	Others
<b>As at April 1, 2015</b>	1,493.5	-	74.4	-	277.0	-	120.0	10.8
increase /(decrease) during the year	(481.7)	-	-	2,139.2	1,160.7	-	(120.0)	(10.8)
<b>As at April 1, 2016</b>	1,011.8	-	74.4	2,139.2	1,437.7	-	-	-
increase /(decrease) during the year	(826.1)	14,555.0	-	-	(270.6)	769.3	-	-
<b>As at March 31, 2017</b>	<b>185.7</b>	<b>14,555.0</b>	<b>74.4</b>	<b>2,139.2</b>	<b>1,167.1</b>	<b>769.3</b>	<b>-</b>	<b>-</b>

**Note 16: Employee Benefit Obligations****(i) Employee Benefit Obligations (Foreign Subsidiaries)**

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Non-Current	Current	Total	Non-Current	Current	Total	Non-Current	Current	Total
Gratuities & other retirement benefit obligations	172.8	-	172.8	344.2	-	344.2	20.2	-	20.2
Employee benefits payable	-	130.1	130.1	-	554.3	554.3	-	34.0	34.0
<b>Total</b>	<b>172.8</b>	<b>130.1</b>	<b>302.9</b>	<b>344.2</b>	<b>554.3</b>	<b>898.5</b>	<b>20.2</b>	<b>34.0</b>	<b>54.2</b>

**(i) Post Employment Obligations**

The Group makes contributions to a defined benefit retirement plan which covers 9% of the Group's employees and provides pension benefits for employees upon retirement. The plan is administered by an independent trustee with its assets held separately from those of the Group.

**(ii) Defined contribution Plans**

The Group also has certain defined contribution plans. Contributions are made to various employee-related social security funds/schemes as applicable in respective countries. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The expense recognised during the year towards defined contribution plan is Rs 265.0 (Previous Year Rs 117.9) in the Consolidated Statement of Profit and Loss for the year ended 31 March, 2017 under defined contribution plan.

**Balance Sheet Amounts - Gratuities & Other Retirement Benefits**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2015</b>	20.2	-	20.2
Additions through Business Combinations	2,061.2	1,785.0	276.2
Current service cost	98.3	-	98.3
Past Service Cost	-	-	-
Interest expense/(income)	12.6	-	12.6
Administrative Expense	-	(5.1)	5.1
<b>Total amount recognised in profit and loss</b>	<b>110.9</b>	<b>(5.1)</b>	<b>116.0</b>
<i>Remeasurements</i>			
(Deficit)/Return on plan assets, excluding amount included in interest expense/(income)	-	(32.7)	32.7
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	(114.0)	-	(114.0)
Foreign currency translation reserve	141.4	93.7	47.7
<b>Total amount recognised in other comprehensive income</b>	<b>27.4</b>	<b>60.9</b>	<b>(33.6)</b>
Employer contributions	-	33.4	(33.4)
Benefit payments	(11.1)	(9.9)	(1.2)
<b>31 March 2016</b>	<b>2,208.6</b>	<b>1,864.4</b>	<b>344.2</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>31 March 2016</b>	2,208.6	1,864.4	344.2
Current service cost	70.8	-	70.8
Interest expense/(income)	30.0	23.9	6.1
Administrative expense	-	(13.4)	13.4
<b>Total amount recognised in profit and loss</b>	100.8	10.5	90.3
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	116.2	188.6	(72.4)
(Gain)/loss from change in demographic assumptions	(7.0)	-	(7.0)
(Gain)/loss from change in financial assumptions	(157.6)	-	(157.6)
Experience (gains)/losses	(3.8)	-	(3.8)
Foreign currency translation reserve	(10.2)	(29.4)	19.2
<b>Total amount recognised in other comprehensive income</b>	(62.5)	159.1	(221.6)
Employer contributions	25.0	64.5	(39.5)
Benefit payments	(0.6)	-	(0.6)
<b>31 March 2017</b>	<b>2,271.4</b>	<b>2,098.6</b>	<b>172.8</b>

The net liability disclosed above relates to funded and unfunded plans as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of funded obligations	2,222.4	2,167.7	-
Fair value of plan assets	2,098.6	1,864.4	-
<b>Deficit of funded plan</b>	123.8	303.3	-
Unfunded plans	49.1	41.0	20.2
<b>Deficit of gratuity plan</b>	172.8	344.2	20.2

**Significant estimates: Actuarial assumptions and sensitivity for gratuity**

The significant actuarial assumptions were as follows:

Particulars	31 March 2017	31 March 2016
<i>Discount rate:</i>		
Chinese Subsidiary (Travel Circle International Limited)	1.48%	1.00%
Lankan Subsidiaries (TC Lanka (Private) Limited & Luxe Asia Private Limited)	11.50%	11% - 12%
Mauritius Subsidiaries (Thomas Cook (Mauritius) Operations Company Limited & Thomas Cook (Mauritius) Holidays Limited)	6.50%	7.50%
<i>Salary Growth Rate:</i>		
Chinese Subsidiary (Travel Circle International Limited)	3.00%	4.00%
Lankan Subsidiaries (TC Lanka (Private) Limited & Luxe Asia Private Limited)	10% - 12%	10% - 14%
Mauritius Subsidiaries (Thomas Cook (Mauritius) Operations Company Limited & Thomas Cook (Mauritius) Holidays Limited)	5.00%	6.00%

**Sensitivity analysis for significant foreign components**

The Gratuities and Retirement Obligations are lump sum plans and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation of each significant foreign components at the end of the reporting period arising on account of an increase or decrease in the reported key actuarial assumptions for such components.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumptions of respective significant Foreign component	Impact on defined benefit obligation of respective significant Foreign component	
		Increase in assumptions	Decrease in assumptions
	31 March 2017	31 March 2017	31 March 2017
<i>Chinese Subsidiary (Travel Circle International Limited)</i>			
Discount rate [1.48% on 31 March 2017 & 1% on 31 March 2016]	25 Basis Points	-1.15%	1.17%
Salary growth rate [3% on 31 March 2017 & 4% on 31 March 2016]	25 Basis Points	1.15%	-1.13%

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

**The major categories of plans assets for gratuities & other retirement benefit plans are as follows:**

Particulars	31 March 2017				31 March 2016			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity Securities	1,490.0	-	1,490.0	71.00%	1,323.7	-	1,323.7	71.00%
Fixed income / cash	-	545.6	545.6	26.00%	-	484.7	484.7	26.00%
Alternatives	-	63.0	63.0	3.00%	-	55.9	55.9	3.00%
Total	1,490.0	608.6	2,098.6	100.00%	1,323.7	540.7	1,864.4	100.00%

**Risk Exposure for gratuity & other retirement benefit plans**

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility- The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any decrease in the bond yields will increase the plan liabilities. The plan assets investments are in unquoted securities which are subject to interest rate risks and the fund manages the interest rate risks to an acceptable low level.
- Salary growth & Demographic assumptions- The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lumpsum in nature the plan is not subject to any longevity risks.

**Defined benefit liability and employer contributions for gratuities & other retirement benefit plans:**

The group has agreed that it will aim to eliminate the deficit in defined benefit pension and gratuity plan over the next nine years. Funding levels are monitored on an annual basis. The group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

**(II) Employee Benefit Obligations (Indian Subsidiaries)**

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Non-Current	Current	Total	Non-Current	Current	Total	Non-Current	Current	Total
Leave Entitlement	134.9	867.3	1,002.2	296.5	924.0	1,220.5	108.0	499.2	607.2
Gratuity	2,185.3	2,020.7	4,206.0	1,070.3	1,702.2	2,772.5	901.0	34.0	935.0
Employee benefits payable	-	26,269.7	26,269.7	-	28,001.1	28,001.1	-	13,284.5	13,284.5
Total	2,320.1	29,157.8	31,477.9	1,366.8	30,627.2	31,994.1	1,009.0	13,817.7	14,826.7

Particulars	31 March 2017	31 March 2016	1 April 2015
Advance to Gratuity Fund - Non-Current	51.6	-	-
Advance to Gratuity Fund - Current	7.0	11.6	-

**(i) Leave Obligations - Leave Entitlement:**

The leave obligations cover the company's liability for sick and earned leave. Based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months.

Particulars	31 March 2017	31 March 2016	1 April 2015
Current leave obligations expected to be settled within next 12 months	867.3	924.0	499.2

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## (ii) Post Employment Obligations

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The Group has Defined Benefit Plan for other long-term Employee Benefits in the form of Provident Fund. Provident Fund contributions are made to a Trust administered by the Group. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group. Any shortfall / excess based on an independent actuarial valuation is accounted for in the Statement of Profit and Loss in the relevant year.

## (iii) Defined contribution Plans

The Group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The Group also makes contributions towards Employee's Pension Scheme, Employee's State Insurance, Labour Welfare Fund, Superannuation, National Pension Scheme and other defined contribution plans. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The expense recognised during the year towards defined contribution plan is Rs. 24,943.7 (Previous Year Rs. 18,756.9) in the Consolidated Statement of Profit and Loss for the year ended 31 March, 2017 under defined contribution plan.

## Balance Sheet Amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2015</b>	2,775.2	1,840.2	935.0
Additions through Business Combinations	1,073.1	1,050.2	22.9
Current service cost	1,201.7	-	1,201.7
Past Service Cost	1,603.7	-	1,603.7
Interest expense/(income)	286.7	215.5	71.2
<b>Total amount recognised in profit and loss</b>	<b>3,092.1</b>	<b>215.5</b>	<b>2,876.6</b>
<i>Remeasurements</i>			-
(Deficit)/Return on plan assets, excluding amount included in interest expense/(income)	-	(39.7)	39.7
(Gain)/loss from change in demographic assumptions	(102.5)	-	(102.5)
(Gain)/loss from change in financial assumptions	(53.3)	-	(53.3)
Experience (gains)/losses	(488.6)	-	(488.6)
<b>Total amount recognised in other comprehensive income</b>	<b>(644.5)</b>	<b>(39.7)</b>	<b>(604.8)</b>
Employer contributions	41.2	509.2	(468.0)
Benefit payments	(579.2)	(578.3)	(0.9)
<b>31 March 2016</b>	<b>5,757.9</b>	<b>2,997.1</b>	<b>2,760.9</b>
Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>31 March 2016</b>	5,757.9	2,997.1	2,760.9
Current service cost	1,310.9	-	1,310.9
Interest expense/(income)	422.8	233.4	189.4
<b>Total amount recognised in profit and loss</b>	<b>1,733.7</b>	<b>233.4</b>	<b>1,500.3</b>
<i>Remeasurements</i>			-
Return on plan assets, excluding amount included in interest expense/(income)	-	8.0	(8.0)
(Gain)/loss from change in demographic assumptions	36.4	(26.6)	63.0
(Gain)/loss from change in financial assumptions	193.4	-	193.4
Experience (gains)/losses	126.3	-	126.3
<b>Total amount recognised in other comprehensive income</b>	<b>356.1</b>	<b>(18.6)</b>	<b>374.7</b>
Employer contributions	(9.8)	477.6	(487.4)
Benefit payments	(572.8)	(571.8)	(1.1)
<b>31 March 2017</b>	<b>7,265.1</b>	<b>3,117.7</b>	<b>4,147.4</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of funded obligations	7,075.5	5,592.7	2,756.4
Fair value of plan assets	3,117.6	2,997.0	1,840.2
<b>Deficit of funded plan</b>	<b>3,957.9</b>	<b>2,595.6</b>	<b>916.3</b>
Unfunded plans	189.5	165.2	18.8
<b>Deficit of gratuity plan</b>	<b>4,147.4</b>	<b>2,760.9</b>	<b>935.0</b>

**Significant estimates: Actuarial assumptions and sensitivity for gratuity**

The significant actuarial assumptions were as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Discount Rate	6.36% - 7.27%	7.27% - 8%	7.8% - 9.25%
Salary growth rate - Qess & Subsidiaries	6% - 12%	6% - 12%	6% - 12%
Salary growth rate - Others	5% - 7%	5% - 7%	5% - 6%

**Sensitivity analysis for Significant Indian Components:**

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation of each significant Indian component at the end of the reporting period arising on account of an increase or decrease in the reported key actuarial assumptions for such components.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumptions of each significant Indian component		Impact on defined benefit obligation of respective significant Indian component			
	31 March 2017	31 March 2016	Increase in assumptions		Decrease in assumptions	
			31 March 2017	31 March 2016	31 March 2017	31 March 2016
Thomas Cook (India) Limited - Discount rate	50 basis point	50 basis point	-4.30%	-4.18%	4.64%	4.51%
Thomas Cook (India) Limited - Salary growth rate	50 basis point	50 basis point	4.67%	4.56%	-4.36%	-4.26%
Sterling Holiday Resorts Limited & its subsidiaries - Discount rate	100 basis points	100 basis points	-13.64%	-15.21%	14.42%	15.71%
Sterling Holiday Resorts Limited & its subsidiaries - Salary growth rate	100 basis points	100 basis points	10.04%	11.59%	-9.83%	-11.57%
Qess Corp Limited & its subsidiaries - Discount rate	100 basis points	100 basis points	-2.11%	-2.10%	2.21%	2.24%
Qess Corp Limited & its subsidiaries - Salary growth rate	100 basis points	100 basis points	2.14%	2.15%	-2.08%	-2.02%

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

**The major categories of plans assets for gratuity are as follows:**

Particulars	31 March 2017				31 March 2016				1 April 2015			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Insurer Managed Funds	-	3,117.7	3,117.7	100.0%	-	2,997.0	2,997.0	100.0%	-	1,840.2	1,840.2	100.0%

**Risk Exposure for gratuity**

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below :

- Asset volatility- The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any decrease in the bond yields will increase the plan liabilities. The plan assets investments are in unquoted securities which are subject to interest rate risks and the fund manages the interest rate risks to an acceptable low level.
- Salary growth & Demographic assumptions- The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the company that any adverse salary growth or demographic



# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lumpsum in nature the plan is not subject to any longevity risks.

## Defined benefit liability and employer contributions for gratuity

The group has agreed that it will aim to eliminate the deficit in defined benefit pension and gratuity plan over the next nine years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 12% of the basic salaries in India. The group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly. Expected contribution to post employment benefit plans for the year ending 31 March 2018 is Rs. 726.5. The weighted average duration of the defined benefit obligation is 3 - 11.7 years (previous year 3 - 19.2 years, 1 April 2015 3 - 9.6 years).

## Balance Sheet Amounts - Provident fund

The amounts recognised in the balance sheet and the movements in provident fund over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2015</b>	6,809.5	6,809.5	-
Current service cost	375.7	6.0	369.7
Interest expense/(income)	551.1	551.1	-
<b>Total amount recognised in profit and loss</b>	926.8	557.1	369.7
<i>Remeasurements</i>			
Experience (gains)/losses	85.1	85.1	-
<b>Total amount recognised in other comprehensive income</b>	85.1	85.1	-
Employees contributions	694.7	694.7	-
Employer contributions	-	369.7	(369.7)
Liabilities assumed/(settled)	(83.8)	(83.8)	-
Benefit payments	(506.3)	(506.3)	-
<b>31 March 2016</b>	7,926.0	7,926.0	-

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>31 March 2016</b>	7,926.0	7,926.0	-
Current service cost	368.4	1.9	366.5
Interest expense/(income)	626.0	626.0	-
<b>Total amount recognised in profit and loss</b>	994.4	627.9	366.5
<i>Remeasurements</i>			
Experience (gains)/losses	102.6	102.6	-
<b>Total amount recognised in other comprehensive income</b>	102.6	102.6	-
Employees contributions	670.7	670.7	-
Employer contributions	-	366.5	(366.5)
Liabilities assumed/(settled)	124.0	124.0	-
Benefit payments	(638.2)	(638.2)	-
<b>31 March 2017</b>	<b>9,179.6</b>	<b>9,179.6</b>	-

The net liability disclosed above relates to funded and unfunded plans as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of funded obligations	9,179.6	7,926.0	6,809.5
Fair value of plan assets	9,179.6	7,926.0	6,809.5
<b>Deficit of funded plan</b>	-	-	-
Unfunded plans	-	-	-
<b>Deficit of provident fund plan</b>	-	-	-

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Significant estimates: Actuarial assumptions and sensitivity for provident fund

The significant actuarial assumptions were as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Discount rate	7.15%	7.85%	7.95%
Salary growth rate	6.00%	6.00%	6.00%

## Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		Impact on defined benefit obligation			
	31 March 2017	31 March 2016	Increase in assumptions		Decrease in assumptions	
			31 March 2017	31 March 2016	31 March 2017	31 March 2016
Difference between rate earned & guaranteed rate	100 basis point	100 basis point	0.39%	2.96%	-	-

## Major categories of plans assets for provident fund are as follows:

Particulars	31 March 2017				31 March 2016				1 April 2015			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equities & Related Investments	223.8	-	223.8	2.44%	96.8	-	96.8	1.22%	-	-	-	0.00%
Government of India Securities	3,618.1	-	3,618.1	39.41%	2,878.4	-	2,878.4	36.32%	2,329.9	-	2,329.9	34.22%
Other Debt Instruments	4,702.9	-	4,702.9	51.23%	4,143.8	-	4,143.8	52.28%	3,042.7	-	3,042.7	44.68%
Others	-	327.2	327.2	3.56%	-	341.5	341.5	4.31%	-	326.5	326.5	4.79%
Special deposits scheme	-	-	-	0.00%	-	-	-	0.00%	650.4	-	650.4	9.55%
Investment in Provident Fund	-	307.5	307.5	3.35%	-	465.5	465.5	5.87%	-	460.0	460.0	6.76%
<b>Total</b>	<b>8,544.8</b>	<b>634.7</b>	<b>9,179.6</b>	<b>100.00%</b>	<b>7,119.0</b>	<b>806.9</b>	<b>7,926.0</b>	<b>100.00%</b>	<b>6,023.0</b>	<b>786.5</b>	<b>6,809.5</b>	<b>100.00%</b>

## Risk Exposure for provident fund

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below :

Asset volatility- The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any decrease in the bond yields will increase the plan liabilities.

## Note 17: Deferred Tax Assets/ Liabilities

### a) Deferred Tax Asset

The balance comprises of temporary differences attributable to:

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Deferred Tax Assets</b>			
On provisions allowable for tax purpose when paid	1,618.7	3,367.8	658.9
On Provision for Doubtful Debts and Advances	2,869.8	2,742.3	1,182.0
On Rent escalation	41.7	331.4	503.9
On reversal of Goodwill	-	92.6	199.1
On Unabsorbed Business Losses	676.4	139.4	31.4
Others	458.2	93.1	29.8
Unused tax credit	129.6	92.5	12.8
<b>Less: Deferred Tax Liabilities</b>			
On Fiscal Allowances on Fixed Assets	1,798.2	1,547.0	1,170.0
On NCD Issue Expenses	19.1	27.6	22.0
On Derivatives	48.4	118.8	-
<b>Net Deferred Tax Assets</b>	<b>3,928.7</b>	<b>5,165.8</b>	<b>1,425.9</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**b) Deferred Tax Liabilities**

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Deferred Tax Liabilities</b>			
On Fiscal Allowances on Fixed Assets	37.3	31.3	583.7
On Undistributed Profit	12,003.8	8,776.7	2,434.5
On account of land valuation	116.7	116.7	-
On account of brand valuation	2,001.4	2,024.2	-
<b>Less: Deferred Tax Assets</b>			
On provisions allowable for tax purpose when paid	4.8	4.6	70.9
On Provision for Doubtful Debts and Advances	-	-	326.7
On Unabsorbed Business Losses	19.2	37.6	-
Others	-	-	19.0
Unused tax credit	-	-	129.2
<b>Net Deferred Tax Liabilities</b>	<b>14,135.2</b>	<b>10,906.6</b>	<b>2,472.4</b>

**Deferred Tax Assets / Liabilities (Net) Movement**

Particulars	On Fiscal Allowances on Fixed Assets	On provisions allowable for tax purpose when paid	On Provision for Doubtful Debts and Advances	On unabsorbed depreciation	On Undistributed Profit	On Brand Valuation	Other Items	Total
<b>As at 1 April 2015</b>	(1,535.6)	729.8	1,508.7	31.4	(2,434.5)	-	653.7	(1,046.5)
(charged)/credited								
-to profit or loss	(740.6)	2,401.2	658.0	139.4	(1,539.9)	-	(98.7)	819.4
-to other comprehensive income	-	(228.9)	-	-	-	-	-	(228.9)
On account of acquisition	790.5	470.3	575.6	6.3	(4,802.3)	(2,024.2)	(301.0)	(5284.8)
<b>As at 31 March 2016</b>	(1,485.7)	3,372.4	2,742.3	177.1	(8,776.7)	(2,024.2)	254.0	(5,740.8)
(charged)/credited								
-to profit or loss	(369.5)	(1,764.5)	117.1	537.0	(3,227.1)	22.8	(182.9)	(4,867.1)
-to other comprehensive income	-	112.2	-	-	-	-	-	112.2
On account of acquisition	19.7	(96.8)	10.4	(18.4)	-	-	374.4	289.3
<b>As at 31 March 2017</b>	(1,835.5)	1,623.3	2,869.8	695.7	(12,003.8)	(2,001.4)	445.5	(10,206.4)

**Note 18: Current Tax Liabilities**

Particulars	31 March 2017	31 March 2016	1 April 2015
Provision for tax	1,122.2	602.3	559.2
<b>Total</b>	<b>1,122.2</b>	<b>602.3</b>	<b>559.2</b>

**Note 19(a): Other Non-Current Liabilities**

Particulars	31 March 2017	31 March 2016	1 April 2015
Income Received In Advance	31,613.5	28,184.0	30,756.4
<b>Total</b>	<b>31,613.5</b>	<b>28,184.0</b>	<b>30,756.4</b>

**Note 19(b): Other Current Liabilities**

Particulars	31 March 2017	31 March 2016	1 April 2015
Income Received in Advance	11,860.3	8,197.5	3,141.7
Advance receipts from Customers for which value is still to be given	47,009.6	35,796.4	23,475.3
Statutory Dues	11,721.0	9,105.5	4,509.6
Fractional entitlement on Bonus Share Refund Accounts	0.5	0.5	0.5
Provision for expenses	4,111.1	2,243.2	775.2
Others	15.0	75.6	16.9
<b>Total</b>	<b>74,717.6</b>	<b>55,418.7</b>	<b>31,919.1</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 20: Revenue from Operations**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sale of Product		
- Food & Beverages	5,079.2	3,346.7
Sale of Services		
- Foreign Exchange & Travel Related Services	405,547.3	236,602.8
- Facility Management and Food Services	41,881.7	36,802.7
- Staffing & Recruitment	324,995.2	279,142.6
- Training Services	9,101.8	7,009.7
- Operation & Maintenance	13,182.6	11,378.3
- Software Sales and Maintenance	25,226.9	7,701.8
- Income from sale of vacation ownership	10,789.3	12,422.1
- Income from Resorts	7,453.0	4,583.9
- Commission Income	5,538.7	1,240.0
Other Operating Revenue		
- Education and Training Revenue	342.0	260.1
- Other Travel Services	1,034.7	255.6
- Marketing fees and other incentive income	1,603.4	579.6
- Service Charges	480.4	212.0
- Miscellaneous Receipts	6,543.4	7,854.6
<b>Total</b>	<b>858,799.6</b>	<b>609,392.5</b>

**Note 21: Other Income and other gains/(losses)****Note 21(a) Other Income**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest Income		
- On Bank Deposits	1,651.9	351.3
- On Others	548.5	443.3
- On Trade Receivable (Installment Plan)	1,013.4	1,738.5
- On Loan to Related Parties	11.8	28.9
- On Income Tax Refund	247.4	662.5
Dividend Income		
- From Investments	612.8	1,166.1
Gain on sale of current investments (net)	692.4	219.2
Change in Fair Value of Contingent Consideration	44.7	-
Other non-operating income:		
- Scrap Sales	15.1	27.9
Export Incentives	1,650.9	-
Miscellaneous Income	1,015.4	1,054.9
<b>Total</b>	<b>7,504.2</b>	<b>5,692.7</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 21(b) Other gains (Net)**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit on sale of Property, Plant & Equipment (Net)	1,140.7	132.6
Exchange gain other than in the normal course of business as an Authorised Foreign Exchange Dealer	168.1	412.0
Net gain on financial assets measured at FVTPL	618.3	72.3
<b>Total</b>	<b>1,927.1</b>	<b>616.9</b>

**Note 22: Employee Benefit Expense**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Salaries Wages and Bonus	370,883.5	309,197.9
Contribution to Provident and Other Funds	25,577.1	19,250.4
Gratuity & Other Defined Benefit Schemes	1,590.5	2,992.6
Employees Share based payment	1,089.8	1,442.6
Staff Welfare Expenses	4,568.8	3,156.1
Compensated absences	126.2	277.8
Staff Training, Recruitment and Other Costs	297.0	342.7
Incentives to Staff	1,256.0	1,149.0
<b>Total</b>	<b>405,388.9</b>	<b>337,809.1</b>

**Note 23: Depreciation and Amortisation Expense**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation on Tangible Assets	6,469.3	4,508.3
Amortisation on Intangible Assets	1,993.7	1,550.7
<b>Total</b>	<b>8,463.0</b>	<b>6,059.0</b>

**Note 24: Other Expenses**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Rent	16,788.8	13,440.1
Stores and tools consumed	1,698.3	2,052.2
Electricity	1,186.6	791.6
Power & Fuel	2,319.2	1,614.5
Repairs to Building	632.2	469.4
Repairs to Plant & Machinery	552.3	288.9
Repairs to Others	9,305.2	3,665.3
Insurance	576.3	572.4
Rates and Taxes	910.6	2,878.2
Sub-contractor charges	7,149.4	3,237.7
Guest supplies	315.1	206.6
Laundry expenses	209.0	156.9
Licence Fees	190.0	200.3
Security Services	941.8	828.8
Travelling Expenses	7,712.1	7,016.0
Vehicle Running and Maintenance Expenses	367.6	229.8
Directors Sitting Fees	50.6	59.4
Commission to Directors	-	11.1

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Recruitment and training	3,588.0	2,877.8
Legal and Professional Charges	9,548.3	6,938.1
Printing and Stationary	1,976.0	2,381.9
Water charges	197.8	84.3
Sales commission	198.4	48.1
Subscription fees	95.5	12.8
Equipment hire charges	1,022.7	794.0
Database access charges	318.6	183.5
Communication Expenses	3,000.4	1,864.7
Exchange loss other than in the normal course of business as an Authorised Foreign Exchange Dealer	268.2	8.7
Freight Currency Shipment	380.3	320.9
Bad Debts and Advances Written Off	1,464.4	1,622.8
Provisions for doubtful debts and Advances (Net)	391.6	357.7
Expenditure towards CSR	379.9	168.3
Donations	32.4	39.3
Airline Inventory Losses	524.5	423.0
Miscellaneous Expenses	1,011.6	1,420.0
<b>Total</b>	<b>75,303.6</b>	<b>57,265.1</b>

**Note 25: Finance Costs**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest and finance charges on financial liabilities at amortised cost	9,475.8	6,106.1
Other Finance Charges	3,613.3	3,108.0
<b>Total</b>	<b>13,089.1</b>	<b>9,214.1</b>

**Note 26: Advertisement and Sales Promotion Expenses**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Advertisement and publicity expenses	7,297.1	5,525.6
Sales promotion	2,433.3	2,354.5
<b>Total</b>	<b>9,730.4</b>	<b>7,880.1</b>

**Note 27: Income Tax Expense**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>(a) Income tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	6,814.0	7,399.8
Adjustments for current tax of prior periods	(298.4)	(635.6)
<b>Total current tax expense</b>	<b>6,515.6</b>	<b>6,764.2</b>
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	(23.3)	(133.7)
(Decrease)/increase in deferred tax liabilities	4,890.4	(685.7)
<b>Total deferred tax expense/(benefit)</b>	<b>4,867.1</b>	<b>(819.4)</b>
<b>Income tax expense</b>	<b>11,382.7</b>	<b>5,944.8</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(b) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit from continuing operations before income tax expense and after exceptional items	19,137.3	92.7
<b>Tax at the Indian tax rate of 34.608%</b>	<b>6,623.0</b>	<b>32.1</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	1,627.7	1,941.6
Tax exempt income	(339.9)	(209.3)
Unrecognized tax losses	1,058.8	3,082.0
Deferred tax credit for earlier periods	(226.2)	-
Difference in enacted tax rate	(146.2)	113.1
Entities in the Group taxed at different rate	(318.5)	(429.0)
Actual tax expenses of foreign subsidiaries	326.2	235.8
Tax on undistributed income	3,227.0	1,539.9
Employee share based payment expense	-	184.0
Other Items	(449.2)	(545.4)
<b>Income tax expense</b>	<b>11,382.7</b>	<b>5,944.8</b>

**28 Fair value measurements:****Financial instruments by category:**

Particulars	31 March 2017			31 March 2016			1 April 2015		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments - Equity instruments	10.5	165.5	-	11.9	165.5	-	10.4	-	-
Investments - Preference Shares	-	22,000.0	-	-	-	-	-	-	-
Investments - Other Non-Current Investments	-	201.8	-	-	200.0	-	-	-	-
Investment in The Government of Mauritius Treasury Bills	-	-	924.8	-	-	867.2	-	-	392.1
Investments - Mutual funds	13,230.9	-	-	12,110.5	-	-	33,662.2	-	-
Loans	-	-	1,585.2	-	-	821.4	-	-	421.1
Security Deposits	-	-	10,011.7	-	-	8,699.7	-	-	5,366.0
Deposits with banks with more than 12 months maturity	-	-	2,647.8	-	-	3,610.4	-	-	957.4
Trade receivable	-	-	99,384.5	-	-	86,512.0	-	-	64,653.1
Cash and cash equivalents	-	-	119,942.0	-	-	97,215.6	-	-	23,695.4
Bank Balance other than cash & cash equivalents	-	-	17,660.0	-	-	1,176.3	-	-	4,113.7
Others	-	-	45,959.9	-	-	35,343.9	-	-	21,298.3
<b>Total financial assets</b>	<b>13,241.4</b>	<b>22,367.3</b>	<b>298,115.9</b>	<b>12,122.4</b>	<b>365.5</b>	<b>234,246.5</b>	<b>33,672.6</b>	<b>-</b>	<b>120,897.1</b>
<b>Financial liabilities</b>									
Borrowings /Loan	-	-	129,345.7	-	-	93,954.3	-	-	38,413.7
Trade Payable	-	-	121,584.6	-	-	107,231.0	-	-	32,614.8
Others	13,710.3	-	24,252.6	2,918.3	-	23,220.0	-	-	6,544.3
<b>Total financial liabilities</b>	<b>13,710.3</b>	<b>-</b>	<b>275,182.9</b>	<b>2,918.3</b>	<b>-</b>	<b>224,405.3</b>	<b>-</b>	<b>-</b>	<b>77,572.8</b>



## Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements at March 2017	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial investments at FVPL				
Mutual funds-Growth Plan	13,230.9	-	-	13,230.9
Equity Instruments	0.9	9.6	-	10.5
Preference Shares	-	-	22,000.0	22,000.0
Investments - Equity instruments	-	-	165.5	165.5
Investments - Other Non-Current Investments	-	-	201.8	201.8
JIK Industries Limited	*	-	-	*
Weizmann Limited	*	-	-	*
Karma Energy Limited	*	-	-	*
Weizmann Forex Limited	*	-	-	*
Govt of Mauritius Treasury Bill	-	-	-	-
<b>Total Financial Assets</b>	<b>13,231.9</b>	<b>9.6</b>	<b>22,367.3</b>	<b>35,608.8</b>
Other Financial Liabilities	-	-	13,710.3	13,710.3
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>13,710.3</b>	<b>13,710.3</b>
Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at 31 March 2017	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security Deposits	-	10,958.1	-	10,958.1
<b>Total Financial Assets</b>	-	10,958.1	-	10,958.1
Borrowings	-	106,000.8	23,344.9	129,345.7
Current maturities of long-term debt	-	8,017.3	-	8,017.3
Others	-	550.7	-	550.7
<b>Total Financial Liabilities</b>	<b>-</b>	<b>114,568.8</b>	<b>23,344.9</b>	<b>137,913.7</b>
Financial assets and liabilities measured at fair value - recurring fair value measurements at March 2016	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial investments at FVPL				
Equity Instruments	2.2	9.6	-	11.9
Mutual funds-Growth Plan	12,110.5	-	-	12,110.5
Investments - Equity instruments	-	-	165.5	165.5
Investments - Other Non-Current Investments	-	-	200.0	200.0
JIK Industries Limited	*	-	-	*
Weizmann Limited	*	-	-	*
Karma Energy Limited	*	-	-	*
Weizmann Forex Limited	*	-	-	*
Govt of Mauritius Treasury Bill	-	-	-	-
<b>Total Financial Assets</b>	<b>12,112.7</b>	<b>9.6</b>	<b>365.5</b>	<b>12,487.9</b>
Other Financial Liabilities	-	-	2,918.3	2,918.3
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>2,918.3</b>	<b>2,918.3</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at 31 March 2016	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security Deposits	-	9,546.8	-	<b>9,546.8</b>
<b>Total Financial Assets</b>	-	9,546.8	-	<b>9,546.8</b>
Borrowings	-	86,671.3	7,283.0	<b>93,954.3</b>
Current maturities of long-term debt	-	9,012.0	-	<b>9,012.0</b>
Others	-	1,218.7	-	<b>1,218.7</b>
<b>Total Financial Liabilities</b>	-	<b>96,902.0</b>	<b>7,283.0</b>	<b>104,185.0</b>

Financial assets and liabilities measured at fair value - recurring fair value measurements at 1 April 2015	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial investments at FVPL				
Equity Instruments	0.8	9.6	-	10.4
Mutual funds	33,662.2	-	-	33,662.2
Govt of Mauritius Treasury Bill	392.1	-	-	392.1
JK Industries Limited	*	-	-	*
Weizmann Limited	*	-	-	*
Karma Energy Limited	*	-	-	*
Weizmann Forex Limited	*	-	-	*
<b>Total Financial Assets</b>	<b>34,055.1</b>	<b>9.6</b>	-	<b>34,064.7</b>

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at 1 April 2015	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security Deposits	-	6,080.9	-	6,080.9
<b>Total Financial Assets</b>	-	<b>6,080.9</b>	-	<b>6,080.9</b>
Borrowings	-	37,381.4	1,032.3	38,413.7
Current maturities of long-term debt	-	931.0	-	931.0
Others	-	194.0	-	<b>194.0</b>
<b>Total Financial Liabilities</b>	-	<b>38,506.4</b>	<b>1,032.3</b>	<b>39,538.7</b>

\*Amount is below the rounding off norm adopted by the Company.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Financial instruments measured at fair value:**

(Amount in Rs lakhs)

Particulars	Fair Value as at 31 March 2017	Significant unobservable inputs	Fair value as at 31 March 2017		Sensitivity
			Increase by 1%	Decrease by 1 %	
Investment in preference shares (unquoted)	22,000.0	Risk adjusted discount rate	21,772.8	22,213.2	Increase in discount rate by 1% would decrease the fair value by Rs 227.20 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 213.16 lakhs.
		EBITDA projection	22,244.2	21,737.9	Increase in EBITDA projection by 1% would increase the fair value by Rs 244.25 lakhs and decrease in EBITDA projection by 1% would decrease the fair value by Rs 262.12 lakhs.
		Revenue projection	22,116.4	21,863.2	Increase in Revenue projection by 1% would increase the fair value by Rs 116.39 lakhs and decrease in Revenue projection by 1% would decrease the fair value by Rs 136.79 lakhs.
Other non-current investments (unquoted)	365.5	Risk adjusted discount rate	317.4	424.5	Increase in discount rate by 1% would decrease the fair value by Rs 48.14 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 59.02 lakhs.
		EBITDA projection	371.1	359.9	Increase in EBITDA projection by 1% would increase the fair value by Rs 5.63 lakhs and decrease in EBITDA projection by 1% would decrease the fair value by Rs 5.63 lakhs.
		Revenue projection	371.8	358.6	Increase in Revenue projection by 1% would increase the fair value by Rs 6.28 lakhs and decrease in Revenue projection by 1% would decrease the fair value by Rs 6.94 lakhs.
Contingent consideration	2,615.9	Risk adjusted discount rate	2,557.1	2,676.9	Increase in discount rate by 1% would decrease the fair value by Rs 58.50 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 60.94 lakhs.
		EBITDA projection	2,653.8	2,578.0	Increase in EBITDA projection by 1% would increase the fair value by Rs 37.93 lakhs and decrease in EBITDA projection by 1% would decrease the fair value by Rs 37.93 lakhs.
		Revenue projection	2,653.8	2,578.0	Increase in Revenue projection by 1% would increase the fair value by Rs 37.93 lakhs and decrease in Revenue projection by 1% would decrease the fair value by Rs 37.93 lakhs.
Non-controlling interest put option	6,924.0	Risk adjusted discount rate	6,791.8	7,060.5	Increase in discount rate by 1% would decrease the fair value by Rs 132.22 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 136.52 lakhs.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

(Amount in Rs lakhs)

Particulars	Fair Value as at 31 March 2017	Significant unobservable inputs	Fair value as at 31 March 2017		Sensitivity
			Increase by 1%	Decrease by 1%	
		Probability of payment of maximum consideration	6,971.6	6,876.4	Increase in probability of payment of maximum consideration by 1% would increase the fair value by Rs 47.59 lakhs and decrease in probability of payment of maximum consideration by 1% would decrease the fair value by Rs 47.59 lakhs.
Forward liability	4,170.4	Risk adjusted discount rate	4,110.2	4,232.3	Increase in discount rate by 1% would decrease the fair value by Rs 60.26 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 61.83 lakhs.

**Financial instruments measured at fair value**

(Amount in Rs lakhs)

Particulars	Fair Value as at 31 March 2016	Significant unobservable inputs	Fair value as at 31 March 2016		Sensitivity
			Increase by 1%	Decrease by 1%	
Other non-current investments (unquoted)	365.5	Risk adjusted discount rate	316.3	425.8	Increase in discount rate by 1% would decrease the fair value by Rs 49.20 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 60.32 lakhs.
		EBITDA projection	371.3	359.7	Increase in EBITDA projection by 1% would increase the fair value by Rs 5.75 lakhs and decrease in EBITDA projection by 1% would decrease the fair value by Rs 5.75 lakhs.
		Revenue projection	371.7	359.3	Increase in Revenue projection by 1% would increase the fair value by Rs 6.25 lakhs and decrease in Revenue projection by 1% would decrease the fair value by Rs 6.25 lakhs.
Contingent consideration	2,918.3	Risk adjusted discount rate	2,832.7	3,007.9	Increase in discount rate by 1% would decrease the fair value by Rs 85.61 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 89.60 lakhs.
		EBITDA projection	2,963.0	2,873.6	Increase in EBITDA projection by 1% would increase the fair value by Rs 44.73 lakhs and decrease in EBITDA projection by 1% would decrease the fair value by Rs 44.73 lakhs.
		Revenue projection	2,963.0	2,873.6	Increase in Revenue projection by 1% would increase the fair value by Rs 44.73 lakhs and decrease in Revenue projection by 1% would decrease the fair value by Rs 44.73 lakhs.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

(Amount in Rs lakhs)

Particulars	Fair value through other comprehensive income		Fair value through profit and loss			Total
	Preference securities	Other non-current investments (unquoted)	Contingent consideration	Non-controlling interest put option	Forward liability	
<b>Balance as at 1 April 2015</b>	-	-	-	-	-	-
Assumed/ arising in a business combination	-	165.50	(2,918.31)	-	-	(2,752.8)
Purchases	-	200.00	-	-	-	200.0
Net change in fair value (unrealised)	-	-	-	-	-	-
<b>Balance as at 31 March 2016</b>	-	<b>365.50</b>	<b>(2,918.31)</b>	-	-	<b>(2,552.81)</b>
Assumed in a business combination	-	-	-	(6,923.98)	(4,170.42)	(11,094.4)
Purchases	22,000.00	-	-	-	-	22,000.0
Net change in fair value (unrealised)	-	-	302.39	-	-	302.4
<b>Balance as at 31 March 2017</b>	<b>22,000.00</b>	<b>365.50</b>	<b>(2,615.92)</b>	<b>(6,923.98)</b>	<b>(4,170.42)</b>	<b>8,655.18</b>

## (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- the foreign exchange forward contracts are marked to market using forward FEDAI rates pertaining to the date of maturity of the contract at the balance sheet date.
- Discount rates to fair value of financial assets and liabilities at amortised cost is based on general lending rate.

## (iii) Fair value of financial assets and liabilities measured at amortised cost

	31 March 2017		31 March 2016		1 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Security Deposits	3,913.3	3,947.6	6,118.7	6,138.7	4,318.0	4,318.0
<b>Financial liabilities</b>						
Borrowings	129,345.7	133,886.2	93,954.3	98,077.4	38,413.7	41,526.1
Current maturities of long-term debt	8,017.3	8,017.3	9,012.0	9,012.0	931.0	931.0
Others	550.7	550.7	1,218.7	1,218.7	194.0	194.0
<b>Total financial assets</b>	<b>137,913.7</b>	<b>142,454.2</b>	<b>104,185.0</b>	<b>108,308.1</b>	<b>39,538.7</b>	<b>42,651.1</b>

The carrying amounts of Advance recoverable in cash, receivables from related parties, trade payables, payable for fixed assets, employees benefits payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values due to their short-term nature. The fair value of long term debts and others in the above table are materially the same.

## 29 Financial risk management

The group's activities expose it to credit risk, market risk and liquidity risk.

The group has an overall Enterprise Risk Management policy, approved by the Audit Committee of the Board of Directors. Risks are managed by the individual Business Units, or the Support Services' unit, entering into the base transactions, which give rise to the risks. The Executive Committee (comprising the Chairman & Managing Director, the Chief Financial Officer, and the Heads of the Business Units and Support Services' units) has the overall responsibility for the risk management framework and its effectiveness, with the respective Heads of Business Units/ Support Services' units, being responsible for its implementation and day-to-day monitoring.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Assessment of expected credit loss for trade receivables :

### (i) Sterling and subsidiaries:

Assessment of expected credit loss for trade receivables (including provision for cancellation of contracts) -

Customer credit risk is managed by the company based on the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an internal credit rating system. Outstanding customer receivables are regularly monitored and assessed for its recoverability. The company classifies the receivables as high quality assets or doubtful assets based on the past performance of the portfolio. As on March 31, 2017 the company determined that the expected cancellation rate on initial recognition is 15.64% based on which the company has recognised an amount of Rs. 1,252.7 (March 2016: Rs. 3,209.2) as provision for cancellation of contracts on initial recognition during the year. Additionally the Company performs subsequent assessment for cancellation of contracts and such adjustments are considered in revenue.

### (ii) Quess corp and subsidiaries:

The Group uses an allowance matrix to measure the expected credit loss of trade receivable from customers.

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 360 days past due. Loss rates are based on actual credit loss experience over the last six quarters. These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

Based on the above mentioned assessment group has recognised following expected credit losses in its books -

Rs. 3,686.2 as at 31 March 2017, Rs. 3,639.8 as at 31 March 2016, Rs. 2,501.0 as at 1 April 2015.

### (A) Credit Risk

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. The Group's exposure to credit risk is influenced mainly by its customer. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, analysis of historical bad debts and ageing of accounts receivable as of different reporting periods.

Analysis of Trade receivables ageing of last 3 years

Aging	Less than 1 year	More than 1 year	Total
31-Mar-17	106,657.9	10,382.2	117,040.1
31-Mar-16	95,270.3	15,795.9	111,066.2
31-Mar-15	65,725.3	5,175.4	70,900.7

### Reconciliation of loss allowance provision – Trade receivables

Reconciliation of loss allowance	Amount
<b>Loss allowance on 1 April 2015</b>	6,247.6
Changes in loss allowance	8,384.7
<b>Loss allowance on 31 March 2016</b>	14,632.3
Changes in loss allowance	(3106.0)
<b>Loss allowance on 31 March 2017</b>	11,526.3

### (B) Market risk

#### (i) Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group companies. The functional currency for large number of Group companies is Indian Rupees ("INR"). The currency risks of the respective group companies are managed by the local management of these companies. The exposure of the group companies to foreign currency risk at the end of the reporting period, are as follows -

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## 1. Thomas Cook (India) Limited

Particulars	31 March 2017				31 March 2016				1 April 2015			
	EUR	GBP	USD	Others	EUR	GBP	USD	Others	EUR	GBP	USD	Others
Cash and cash equivalents	539.4	1,109.2	10,427.3	2,304.8	(757.2)	(1,132.9)	3,810.9	(157.7)	2,132.4	1,740.4	4,963.4	1,442.9
Other financial assets	889.1	15.7	3,521.4	2,416.3	935.7	24.7	4,163.9	2,746.6	613.8	4.2	2,772.0	1,096.1
Trade payables and other financial liabilities	(9,839.3)	(4,443.7)	(21,151.4)	(7,533.7)	(8,107.3)	(4,334.4)	(21,215.2)	(7,008.8)	(1,632.5)	(1,026.5)	(6,042.1)	(1,920.8)
<b>Gross Exposure</b>	<b>(8,410.8)</b>	<b>(3,318.8)</b>	<b>(7,202.7)</b>	<b>(2,812.6)</b>	<b>(7,928.8)</b>	<b>(5,442.6)</b>	<b>(13,240.4)</b>	<b>(4,419.9)</b>	<b>1,113.7</b>	<b>718.1</b>	<b>1,693.3</b>	<b>618.2</b>
Forward contracts	8,641.7	3,448.7	7,050.2	3,379.2	7,928.8	5,442.6	13,240.4	4,419.9	(1,113.7)	(718.1)	(1,693.3)	(618.2)
<b>Net Exposure (in INR Lakhs)</b>	<b>230.9</b>	<b>129.9</b>	<b>(152.5)</b>	<b>566.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### (b) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts.

Particulars	Impact on profit after tax			
	31 March 2017		31 March 2016	
	Strength -ening	Weak -ening	Strength -ening	Weak -ening
<b>Effect in INR 1% movement</b>				
EUR	160.00	(160.0)	-	-
GBP	105.1	(105.1)	-	-
USD	(98.9)	98.9	-	-

\*Holding all other variables constant

## 2. Quess Corp and Subsidiaries

Particulars	Currency	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		Amount in Rs lakhs	Amount in Rs lakhs	Amount in Rs lakhs
Trade receivables	USD	2,606.14	2,347.18	336.51
	EUR	11.64	17.20	-
	CAD	3.04	1.17	-
	SAR	16.72	-	-
Other liabilities	CAD	48.53	39.82	-
	USD	261.58	95.56	-

\*Foreign currency values are in actuals and not recorded in lakhs.



# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the USD, EURO, SAR and CAD against INR at 31 March 2017 and 31 March 2016 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(Effect in Rs lakhs)

Particulars	Profit and loss	
	Strengthening	Weakening
<b>31 March 2017</b>		
USD (2% movement)	46.89	(46.89)
EURO (8% movement)	0.93	(0.93)
CAD (5% movement)	(2.27)	2.27
SAR (2% movement)	0.33	(0.33)
<b>31 March 2016</b>		
USD (9% movement)	202.65	(202.65)
EURO (12% movement)	2.06	(2.06)
CAD (4% movement)	(1.55)	1.55
SAR (6% movement)	-	-

## 3. SOTC and subsidiaries

Particulars	31 March 2017														
	USD	EUR	ZAR	JPY	NZD	SGD	CHF	GBP	AUD	THB	MYR	HKD	CNY	CAD	AED
Financial assets															
Cash and cash equivalents	542,801	27,378	-	-	500	16,270	-	1,717	5,387	75,940	2,090	2,290	414	5	1,470
Trade and other receivables	4,898,489	569,246	1,092,034	3,139,042	52,632	212,794	720	154,834	591,576						-
Derivative Assets (MTM)	4,836,000	3,515,000						1,035,750							
	10,277,290	4,111,624	1,092,034	3,139,042	53,132	229,064	720	1,192,301	596,963	75,940	2,090	2,290	414	5	1,470
Financial liabilities															
Trade and other payables	2,693,230	838,748	1,266,221	6,492,500	456,020	633,306	136,108	218,901	470,413						-
Derivative Assets (MTM, cross currency)	397,173	466,698													
	3,090,403	1,305,446	1,266,221	6,492,500	456,020	633,306	136,108	218,901	470,413	-	-	-	-	-	-
Net Exposure in Respective currencies	7,186,887	2,806,178	(174,187)	(3,353,458)	(402,888)	(404,242)	(135,388)	973,400	126,550	75,940	2,090	2,290	414	5	1,470

Particulars	31 March 2016									
	USD	EUR	ZAR	JPY	NZD	SGD	CHF	GBP	AUD	AED
Financial assets										
Cash and cash equivalents	9,829,416	13,204	-	-	-	-	-	-	-	-
Trade and other receivables	20,225,622	917,321	743	-	18,828	87,400	9,160	59,312	340,931	-
Derivative Assets (MTM)	11,529,278	9,620,268	-	-	-	-	-	1,383,000	-	-
	41,584,316	10,550,793	743	-	18,828	87,400	9,160	1,442,312	340,931	-
Financial liabilities										
Trade and other payables	12,855,501	2,311,798	2,050,832	-	476,975	1,415,866	105,025	520,839	578,130	20,937

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	31 March 2016									
	USD	EUR	ZAR	JPY	NZD	SGD	CHF	GBP	AUD	AED
Derivative Assets (MTM cross currency)	1,622,959	1,444,268	-	-	-	-	-	-	-	-
	14,478,460	3,756,066	2,050,832	-	476,975	1,415,866	105,025	520,839	578,130	20,937
Net Exposure	27,105,856	6,794,727	(2,050,089)	-	(458,147)	(1,328,466)	(95,865)	921,473	(237,199)	(20,937)

Particulars	1 April 2015									
	USD	EUR	ZAR	JPY	NZD	SGD	CHF	GBP	AUD	AED
<b>Financial assets</b>										
Trade and other receivables	7,775,223	868,013	1,350,880	-	-	173,609	39,509	53,553	127,360	-
	7,775,223	868,013	1,350,880	-	-	173,609	39,509	53,553	127,360	-
<b>Financial liabilities</b>										
Trade and other payables	15,009,182	4,486,022	1,074,178	-	423,487	440,796	421,986	117,515	521,572	-
	15,009,182	4,486,022	1,074,178	-	423,487	440,796	421,986	117,515	521,572	-
Net Exposure	(7,233,959)	(3,618,009)	276,702	-	(423,487)	(267,187)	(38477)	(63,962)	(394,212)	-

The following significant exchange rates have been applied during the year.

## Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the Indian Rupee against various currencies as mentioned above at March 31 2017 and March 31 2016 would have affected the measurement of financial instruments denominated in the respective currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast transactions to be held in the foreign currencies.

Effect in INR March 31, 2017	Profit or loss	
	Strengthening	Weakening
<b>1% movement</b>		
USD	4,665,728	(4,665,728)
EUR1	1,945,523	(1,945,523)
JPY100	(1,942,323)	1,942,323
ZAR1	(8,431)	8,431
GBP1	789,135	(789,135)
NZD	(182,750)	182,750
CHF	(62,874)	62,874
SGD	(187,730)	187,730
AUD	62,819	(62,819)
THB	1,450	(1,450)
MYR	332	(332)
HKD	198	(198)
CNY	40	(40)
CAD	3	(3)
AED	260	(260)
	5,081,381	(5,081,381)

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Effect in INR	Profit or loss	
March 31, 2016	Strengthening	Weakening
<b>1% movement</b>		
USD	17,976,604	(17,976,604)
EUR1	5,097,404	(5,097,404)
ZAR1	(90,819)	90,819
JPY	-	-
NZD	(209,419)	209,419
SGD	(651,878)	651,878
CHF	(65,830)	65,830
GBP	875,676	(875,676)
AUD	(120,212)	120,212
AED	(3,781)	3,781

## 4. Travel Corporation (India) Limited

	31 March 2017	31 March 2017	31 March 2017	31 March 2017
	USD	EUR	JPY	GBP
<b>Financial assets</b>				
Cash and cash equivalents	2,021,634	130,228	1,136,672	171,836
Trade and other receivables	2,841,421	-	1,356,329	97,413
	4,863,056	130,228	2,493,001	269,248
<b>Financial liabilities</b>				
Trade and other payables	1,087,834	22,806	-	74,248
	1,087,834	22,806	-	74,248
<b>Net Exposure in respective currencies</b>	3,775,221	107,422	2,493,001	195,000

	31 March 2016	31 March 2016	31 March 2016	31 March 2016
	USD	EUR	JPY	GBP
<b>Financial assets</b>				
Cash and cash equivalents	262,923	697	3,951,637	-
Trade and other receivables	1,731,339	-	-	-
	1,994,262	697	3,951,637	-
<b>Financial liabilities</b>				
Trade and other payables	-	27,922	280,389	1,292
	-	27,922	280,389	1,292
<b>Net Exposure in Respective currencies</b>	1,994,262	(27,225)	3,671,248	(1,292)

	1 April 2015	1 April 2015	1 April 2015	1 April 2015
	USD	EUR	JPY	GBP
<b>Financial assets</b>				
Cash and cash equivalents	51,237	5,462	16,198,000	-
Trade and other receivables	1,348,018	-	6,195,134	193,891
	1,399,255	5,462	22,393,134	193,891
<b>Financial liabilities</b>				
Trade and other payables	-	59,386	-	-
	-	59,386	-	-
<b>Net Exposure in Respective currencies</b>	1,399,255	(53,924)	22,393,134	193,891

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various currencies as mentioned above at 31 March 2017 and 31 March 2016 would have affected the measurement of financial instruments denominated in the respective currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast transactions to be held in the foreign currencies.

Effect in INR March 31, 2017	Profit or loss	
	Strengthening	Weakening
<b>1% movement</b>		
USD	2,450,874	(2,450,874)
EUR	74,476	(74,476)
JPY	1,443,946	(1,443,946)
GBP	158,087	(158,087)
	<b>4,127,382</b>	<b>(4,127,382)</b>

Effect in INR March 31, 2016	Profit or loss	
	Strengthening	Weakning
<b>1% movement</b>		
USD	1,322,594	(1,322,594)
EUR	(20,424)	20,424
JPY	2,165,486	(2,165,486)
GBP	(1,228)	1,228
	<b>3,466,428</b>	<b>(3,466,428)</b>

## B Market risk

### (ii) Interest Rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2017		31 March 2016		1 April 2015	
Variable rate borrowings	68,026.6		41,953.8		27,364.3	
As at the end of the reporting period, the group had the following variable rate borrowings:						

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Balance	% of total loans	Balance	% of total loans	Balance	% of total loans
Variable rate borrowings	68,026.6	18.3%	41,953.8	6.0%	27,364.3	33.1%
<b>Net exposure to cash flow due to interest rate risk</b>	68,026.6		41,953.8		27,364.3	

## Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Changes in interest rate are based on historical movement.

Particulars	Impact on profit after tax	
	31 March 2017	31 March 2016
Interest rates - increase by 70 to 100 basis points *	(100.7)	(48.6)
Interest rates - decrease by 70 to 100 basis points *	100.7	48.6

\* Holding all other variables constant

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(iii) Price Risk****Exposure**

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. Since the group does not have material equity investments, the group does not have a material price risk exposure as of reporting period.

**29 Financial risk management****(C) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due and to close out market positions. Respective group company's treasury department maintains flexibility in funding by maintaining sufficient cash and bank balances available to meet the working capital requirements.

Management monitors rolling forecasts of the company's liquidity position (comprising the unused cash and bank balances along with temporary investments in fixed deposits and/or liquid mutual funds) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with the practice and limits set by the group.

**(i) Financing arrangements**

Particulars	31 March 2017	31 March 2016	1 April 2015
Floating rate			
- expiring within one year (bank overdraft and other facilities)	12,630.8	3,750.1	8,298.1
- expiring beyond one year (bank loans)	-	2,200.0	-
	12,630.8	5,950.1	8,298.1

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

**(ii) Maturities of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity based on their contractual maturities.

Contractual maturities of financial liabilities	< 1 year	Between 1 and 2 years	> 2 years	Total
<b>31 March 2017</b>				
Borrowings	63,599.6	18,167.4	55,596.0	137,363.0
Trade payables	121,584.7	-	-	121,584.7
Other financial liabilities	15,684.5	5,795.2	8,465.8	29,945.5
<b>Total liabilities</b>	<b>200,868.9</b>	<b>23,962.6</b>	<b>64,061.8</b>	<b>288,893.4</b>

Contractual maturities of financial liabilities	< 1 year	Between 1 and 2 years	> 2 years	Total
<b>31 March 2016</b>				
Borrowings	46,100.7	10,754.3	46,111.0	102,966.1
Trade payables	107,230.8	-	-	107,230.8
Other financial liabilities	12,989.4	1,450.4	2,686.6	17,126.5
<b>Total liabilities</b>	<b>166,321.0</b>	<b>12,204.7</b>	<b>48,797.6</b>	<b>227,323.3</b>

Contractual maturities of financial liabilities	< 1 year	Between 1 and 2 years	> 2 years	Total
<b>1 April 2015</b>				
Borrowings	28,878.4	3,747.0	6,719.3	39,344.7
Trade payables	32,615.0	-	-	32,615.0
Other financial liabilities	5,419.3	194.0	-	5,613.3
<b>Total liabilities</b>	<b>66,912.7</b>	<b>3,941.0</b>	<b>6,719.3</b>	<b>77,573.0</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 30 : Capital management****30 (a): Risk management**

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalent. Total "equity" is as shown in the balance sheet (including non-controlling interest).

Particulars	31 March 2017	31 March 2016	1 April 2015
Net debt	18,848.8	6,984.7	15,736.9
Total equity	180,152.5	135,054.0	139,356.3
<b>Net debt to equity ratio</b>	<b>10.5%</b>	<b>5.2%</b>	<b>11.3%</b>

**30 (b): Proposed Dividends**

	31 March 2017	31 March 2016
<u>Equity shares</u>		
Final dividend paid during the year Rs 0.375 per fully paid share (31 March 2016 of Rs 0.375 per fully paid share)	1,374.3	1,364.1
<b>Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs 0.375 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,375.3	1,372.1

**Note 31 : Segment Information****(a) Description of segments and principal activities**

The group's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective and has identified four reportable segments of its business:

<b>Financial Services</b>	Includes wholesale and retail purchase and sale of foreign currencies and paid documents
<b>Travel and related services</b>	Includes tour operations, travel management, visa services and travel insurance and related services
<b>Human resource services</b>	Includes staffing services, facilities management services, selection services, training fees, food service and engineering service
<b>Vacation ownership and resorts bussiness</b>	Include the time share holidays' business

**(b) Segment Result**

Particulars	31 March 2017	31 March 2016
Financial Services	10,317.5	8,755.2
Travel and related services	12,649.9	8,059.9
Human resource services	22,116.2	16,068.0
Vacation ownership and resorts bussiness	(5,010.5)	(13,179.0)
<b>Total Adjusted EBITDA</b>	<b>40,073.1</b>	<b>19,704.1</b>
Less: Unallocated Corporate Expenditure	7,846.7	10,397.3
<b>Operating Profit</b>	<b>32,226.4</b>	<b>9,306.8</b>
Less: Interest Expense	13,089.1	9,214.1
<b>Profit Before Tax*</b>	<b>19,137.3</b>	<b>92.7</b>

\*Profit Before Tax excludes share of Profit from associates and joint venture accounted for using equity method

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(c) Segment Revenue**

Particulars	31 March 2017 Total segment revenue	31 March 2016 Total segment revenue
Financial Services	28,133.9	27,484.9
Travel and related services	391,429.6	217,841.5
Human resource services	414,396.8	343,501.4
Vacation ownership and resorts bussiness	24,839.3	20,564.7
<b>Total</b>	<b>858,799.6</b>	<b>609,392.5</b>

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	31 March 2017	31 March 2016
India	713,863.8	530,254.4
Rest of the world	144,935.8	79,138.1
<b>Total</b>	<b>858,799.6</b>	<b>609,392.5</b>

**(d) Segment Assets**

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Particulars	31 March 2017 Segment Assets	31 March 2016 Segment Assets
Financial Services	29,266.7	30,201.1
Travel and related services	203,100.3	125,606.2
Human resource services	130,732.0	122,036.0
Vacation ownership and resorts bussiness	63,148.7	67,491.2
<b>Total</b>	<b>426,247.6</b>	<b>345,334.5</b>
Unallocated:	215,058.3	149,709.1
<b>Total Assets as per the Balance Sheet</b>	<b>641,305.9</b>	<b>495,043.6</b>

The total of non-current assets other than financial instruments, investments accounted for using equity method and deferred tax assets, broken down by location of the assets, is shown below:

Particulars	31 March 2017	31 March 2016
India	206,928.6	192,781.8
Rest of the world	50,709.0	16,854.7
<b>Total Non-current Assets as per the Balance Sheet</b>	<b>257,637.6</b>	<b>209,636.5</b>

**(e) Segment Liabilities**

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

Particulars	31 March 2017	31 March 2016
Financial Services	43,973.1	38,556.8
Travel and related services	167,765.7	103,883.1
Human resource services	50,371.9	89,342.4
Vacation ownership and resorts bussiness	50,938.4	45,842.8
<b>Total</b>	<b>313,049.1</b>	<b>277,625.1</b>
Unallocated	148,104.3	82,364.5
<b>Total Liabilities as per the Balance Sheet</b>	<b>461,153.4</b>	<b>359,989.8</b>



# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 32: Related Party Transactions****(a) Parent Entities**

The Company is controlled by the following entity:

Name	Type	Place of Incorporation	Ownership Interest (%)		
			31 March 2017	31 March 2016	31 March 2015
Fairfax Financial Holdings Limited	Ultimate Holding Company	Canada			
Fairbridge Capital (Mauritius) Limited, Mauritius ("FCML") (FCML is wholly owned and controlled by Fairfax Financial Holdings Limited, Canada, the ultimate holding company.)	Parent entity	Mauritius	67.66%	67.82%	45.01%
H Investment Limited	Parent entity	Mauritius	0.0%	0.0%	29.8%

**(b) Name of the related party and related party relationship**

Sr. No.	Name of Entity	Place of Business/ Country of Incorporation	Relationship
1	Fairbridge Capital Private Limited	India	Fellow Subsidiary
2	HWIC Asia Fund	Mauritius	Fellow Subsidiary
3	National Collateral Management Service Ltd	India	Fellow Subsidiary
4	Terrier Security Services (India) Private Limited ^	India	Associate Company
5	Simpliance Technologies Private Limited ^	India	Associate Company
6	Fairfax India Charitable Foundation	India	Charitable Trust
7	Net Resources Investment Private Limited	India	Other entities where relationship exists
8	Styracorp Management Services (Sole proprietorship firm)	Dubai	Other entities where relationship exists
9	IME Consultancy (Sole proprietorship firm)	Dubai	Other entities where relationship exists

^ These Companies are Associate Companies of Qness Corp Limited

**(c) Key Management personnel**

Madhavan Menon	Mahendra Kumar Sharma (upto December 31, 2015)
Mahesh Iyer	Uday Khanna (upto September 1, 2015)
R. R. Kenkare	Kishori Udeshi
Debasis Nandy	Krishnan Ramchandran
Rajeev Kale	Ramesh Savoor
Amit Madhan	Nilesh Vikamsey (w.e.f. December 23, 2015)
Mona Cheriyan	Sunil Mathur (w.e.f. December 23, 2015)
Abraham Alapatt	Pravir Vohra (w.e.f. April 10, 2015)
Amit Parekh	

**Relatives of key management personnel:**

Lili Menon

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(d) Transactions with related parties**

The following transactions occurred with related parties:

Nature of transaction	31 March 2017	31 March 2016
<b>(i) Ultimate Holding Company</b>		
<b>Reimbursement of Expenses (Net)</b>		
Fairfax Financial Holdings Limited	112.0	98.6
<b>Balances as at the year / period end - Outstanding Receivables</b>		
Fairfax Financial Holdings Limited	415.9	39.1
<b>Borrowings</b>		
Fairfax Financial Holdings Limited	496.9	512.3
<b>Purchase Consideration Paid</b>		
Fairfax Financial Holdings Limited	-	2,890.3
<b>Income from tours</b>		
Fairfax Financial Holdings Ltd	678.7	-
<b>Finance Costs</b>		
Fairfax Financial Holdings Limited	15.3	-
<b>Repayment/ adjustment of loans taken from related parties</b>		
From Fairfax Financial Holdings Limited	(15.4)	165.7
<b>Consideration payable</b>		
Fairfax Financial Holdings Limited	356.9	-
<b>Contingent consideration payable</b>		
Fairfax Financial Holdings Limited	2,615.9	2,918.3
<b>(ii) Holding Company</b>		
<b>Reimbursement of Expenses (Net)</b>		
Fairbridge Capital (Mauritius) Limited	-	13.7
<b>Subscription to NCCRPS</b>		
HWIC Asia Fund	-	12,500.0
<b>Dividend remitted</b>		
Fairbridge Capital (Mauritius) Limited	930.6	1,019.6
HWIC Asia Fund	1,065.4	-
<b>(iii) Fellow subsidiaries</b>		
<b>Reimbursement of Expenses (Net)</b>		
Fairbridge Capital Private Limited	3.7	-
Fairfax India Charitable Foundation	73.3	-
<b>Sale of Services (at Sale Value of Transaction)</b>		
Fairbridge Capital Private Limited	-	-
<b>(iv) Associate Enterprise</b>		
<b>Guarantees provided to banks on behalf of associates</b>		
Terrier Security Services (India) Private Limited	2,200.0	-
<b>Purchase of capital asset</b>		
<b>Trade receivables (gross of loss allowance)</b>		
Terrier Security Services (India) Private Limited	18.4	-
<b>Sale of Services*</b>		
Terrier Security Services (India) Private Limited	366.5	-
<b>Other Expenses</b>		
Terrier Security Services (India) Private Limited	14.2	-
<b>Trade payables</b>		
Terrier Security Services (India) Private Limited	0.3	-
Simpliance Technologies Private Limited	1.0	-
<b>Guarantee outstanding</b>		
Terrier Security Services (India) Private Limited	2,200.0	-

## Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Nature of transaction	31 March 2017	31 March 2016
<b>(v) Other Related Parties</b>		
<b>Interest Income</b>		
IME Consultancy	1.1	-
Styracorp Management Services	10.7	-
<b>Repayment/ adjustment of loans given to related parties</b>		
Styracorp Management Services	617.1	150.6
IME Consultancy	75.0	-
<b>Loans</b>		
Styracorp Management Services	767.7	150.6
IME Consultancy	75.0	-
<b>Other Expenses</b>		
Net Resources Investments Private Limited	300.1	314.2
<b>(vi) Key Management Personnel</b>		
<b>Remuneration</b>		
Madhavan Menon	516.0	486.8
Mahesh Iyer	178.0	174.2
R. R. Kenkare	171.5	204.5
Debasis Nandy	169.9	192.8
Rajeev Kale	132.0	176.2
Amit Madhan	134.2	150.4
Mona Cheriyan	167.6	162.5
Abraham Alapatt	139.6	186.5
Amit Parekh	40.0	5.9
@ Gratuity is contributed for the Company as a whole and hence excluded.		
<b>Commission to Non-Executive Director</b>	-	-
Mahendra Kumar Sharma (upto December 31, 2015)	-	2.3
Uday Khanna (upto September 1, 2015)	-	1.3
Kishori Udeshi	-	3.0
Krishnan Ramchandran	-	-
Ramesh Savoor	-	-
Nilesh Vikamsey (w.e.f. December 23, 2015)	-	0.8
Sunil Mathur (w.e.f. December 23, 2015)	-	0.8
Pravir Vohra (w.e.f. April 10, 2015)	-	2.9
<b>Sitting fees to Non-Executive Director</b>		
Mrs. Kishori Udeshi	8.3	11.7
Mr. Nilesh S. Vikamsey	6.5	2.5
Mr. Sunil B. Mathur	6.1	2.1
Mr. Mahendra Kumar Sharma	-	9.4
Mr. Uday Chander Khanna	-	2.9
Mr. Pravir Vohra	6.6	9.0
<b>(vii) Relatives of key management Personnel</b>		
<b>Rent Expense</b>		
Lili Menon	19.3	19.3
<b>Balances as at the year / period end</b>		
<b>Deposit Receivable</b>		
Lili Menon	165.0	165.0

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## 33 Share based payments

### Thomas Cook (India) Limited

#### (a) Employee option plan/ Tradable Options

##### Thomas Cook Employees Stock Option Plan -2007

The Company has established an Employee Stock Option Plan called -"Thomas Cook Employees Stock Option Plan - 2007". The same has been approved by a Special Resolution passed by the Shareholders by a Postal Ballot on March 23, 2007. The Scheme is in accordance with the provisions of Securities and Exchange Board of India (SEBI)- (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999. The exercise price is as governed by the guidelines issued by SEBI.

The objectives of this plan are :

- (a) Motivate talent in the organization with a view to achieve long term business goals.
- (b) Retain key talent in the organization
- (c) Foster ownership and motivation.

The grant of options to employees under the stock option scheme is on the basis of their performance and other eligibility criteria. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The unvested options shall vest with the participant in 3 equal annual instalments on each of the anniversaries from the Grant Date.

##### Thomas Cook Save As You Earn (SAYE) -2010

Further to the Thomas Cook Employees Stock Option Plan - 2007, the Company has established a Thomas Cook Save As You Earn (SAYE), Scheme - 2010. The SAYE scheme has been approved by a Special Resolution passed on December 14, 2010, by the shareholders as at and for the year ended March 31, 2016 Thomas Cook (India) Limited of a Postal Ballot and shall be effective from that date. SAYE is a Monthly Savings Contribution Scheme available to all employees of Thomas Cook (India) Limited and its subsidiaries provided that they have completed at least 6 months in the organization.

The objectives of the SAYE Scheme -2010 are same as Thomas Cook Employees Stock Option Plan -2007.

SAYE allows employees to save a part of their net pay every month which gets deposited with a bank in a recurring deposit account carrying fixed rate of interest. At the end of 3 years, employees have the option to either purchase specific number of equity shares of Thomas Cook (India) Limited at the predetermined exercise price or withdraw the monthly savings contributions along with interest accrued. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The maximum number of options granted per participant per grant will not exceed 200,000 (Two Hundred Thousand) equity shares. The maximum number of equity shares that may be issued / transferred pursuant to the exercise of options granted under the SAYE scheme shall not exceed 3,000,000 (Three Million) equity shares.

Vesting under the scheme is linked to the continued association with the Group. The options would vest only when an employee has completed the committed 36 monthly contributions. The exercise period would not be more than one month from the date of vesting.

##### Thomas Cook Employees Stock Option Plan -2013

The Company has established an Employee Stock Option Plan called -"Thomas Cook Employees Stock Option Plan - 2013". The same has been approved by a Special Resolution passed by the Shareholders by a Postal Ballot on October 25, 2013. The Scheme is in accordance with the provisions of Securities and Exchange Board of India (SEBI) - (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999. The exercise price is in accordance with the guidelines issued by SEBI.

The objectives of this plan are:

- a) to reward the Senior Employees of the Company for their performance
- b) to motivate them to contribute to the growth and profitability of the Company and
- c) to retain talent in the organization

The grant of options to employees under the stock option scheme is on the basis of their performance and other eligibility criteria. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The unvested options shall vest with the participant after 4 years but not later than 7 years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and certain performance parameters. The attainment of such performance parameters would be a mandatory condition for vesting of options as determined by the Recruitment & Remuneration Committee from time to time.

##### Sterling Holiday Resorts (India) Limited Employee Stock Options Scheme 2012 - ("SHRIL ESOS 2012")

The purpose of the ESOS is to provide the employees with an additional incentive in the form of Options to receive the equity shares of the Company at a future date. The ESOS is aimed at further motivating and retaining the employees and thereby increasing the profitability of the Company.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Vesting Schedule :

Grant I dated 24th January 2013 :

Each option will entitle the participant to one equity share. The unvested options shall vest with the participant in 3 tranches which is 40%,30%,30% on each of the anniversaries from the Grant Date. Grant II dated 30th July 2014 : Each option will entitle the participant to one equity share. The unvested options shall vest with the participant in 4 tranches which is 25%,25%,25%,25% on each of the anniversaries from the Grant Date. Grant Date means the date on which the Options are granted to the eligible employees by the Company/Committee under the Scheme.

Exercise Price : Exercise price shall not be less than the par value of the Equity Shares of the Company and shall not be more than the price prescribed under Chapter VII of SEBI ICDR Regulation 2009 or the Market price (as defined in the Guidelines), whichever is more.

- The Exercise price of Rs 96.00 for Grant I was fixed by the Board of Directors of Sterling Holiday Resorts (India) Limited at its meeting held on 24th January 2013.
- The Exercise price of Rs 130.15 for Grant II was fixed by the Board of Directors of Sterling Holiday Resorts (India) Limited at its meeting held on 30th July 2014.
- As per clause 15.3.2 of the Composite Scheme of Arrangement and Amalgamation between Sterling Holiday Resorts (India) Ltd. (SHRIL) and Thomas Cook Insurance Services (India) Ltd (TCISIL), and Thomas Cook (India) Ltd. (TCIL) the SHRIL ESOS 2012 became a part of the company's schemes and Stock Options which had been granted but not exercised as of the Record Date, by such SHRIL employees shall lapse and in lieu of the Lapsed Options of SHRIL, TCIL shall grant 120 options for every 100 options of SHRIL. The revised Exercise Price for Grant I was Rs 80.00 and for Grant II was Rs 108.46. Subject to the terms of the Scheme and SEBI ESOP Guidelines, the option holder will have a period of 5 years from the date of which the Options have vested, within which the vested options can be exercised.

**The details pertaining to number of options, weighted average price and assumptions considered for fair value are disclosed below:**

Particulars	31 March 2017		31 March 2016	
	Weighted Average Exercise price	Number of options	Weighted Average Exercise price	Number of options
Options outstanding at the beginning of the year	54.9	6,592,784.0	14.6	5,565,036.0
Options granted during the year	23.5	1,351,143.0	138.3	2,385,732.0
Exercised during the year	80.8	879,368.0	46.5	261,473.0
Forfeited during the year	70.5	1,254,577.0	33.9	1,096,511.0
<b>Options outstanding at the end of the year</b>	<b>40.3</b>	<b>5,809,982.0</b>	<b>54.9</b>	<b>6,592,784.0</b>
<b>Options vested and exercisable at the end of the year</b>	<b>108.5</b>	<b>776,083.0</b>	<b>69.0</b>	<b>966,021.0</b>

Grant Date	Expiry date/Expiry Year	Exercise price (Rs)	31 March 2017	31 March 2016	1 April 2015
			Share options	Share options	Share options
July 25, 2007	July 22, 2017	61.9	34,000	239,000	239,000
July 10, 2008	July 8, 2018	77.6	40,000	290,500	290,500
March 20, 2009	March 18, 2019	30.3	11,665	23,335	64,005
May 27, 2010	May 24, 2020	52.7	-	-	-
February 17, 2011	February 14, 2021	47.6	-	-	41,663
September 5, 2013	September 3, 2023	49.3	237,260	446,910	727,430
August 25, 2015	August 22, 2025	165.9	1,159,042	1,552,500	-
December 5, 2013	November 29, 2037	1.0	3,091,489	3,405,507	4,202,438
November 7, 2016	November 1, 2040	1.0	802,868	-	-
October 8, 2014	October 2, 2038	1.0	229,906	229,906	-
January 24, 2013	January 22, 2021	80.0	53,262	115,326	-
July 30, 2014	July 28, 2022	108.5	150,490	289,800	-
<b>Total</b>			<b>5,809,982</b>	<b>6,592,784</b>	<b>5,565,036</b>
<b>Weighted average remaining contractual life of options outstanding at end of year</b>			<b>19.9 Years</b>	<b>17.6 Years</b>	<b>20.6 Years</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Fair Value of options granted

The fair value at grant date is determined using the Black-Scholes Model which takes into account the exercise price, expected volatility, option's life, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The inputs for the options granted during the year ended 31 March 2017 included:

Particulars	31 March 2017	31 March 2016	31 March 2016	31 March 2016
Scheme	GT 07 Nov 2016	GT 05 Dec 2013	GT 24 Jan 2013	GT 30 July 2014
Grant Date	November 7, 2016	August 25, 2015	August 18, 2015	August 18, 2015
Weighted average share price	218.6	184.4	208.5	208.5
Exercise price	1.0	165.9	80.0	108.5
Expected volatility (%)	45.3	0.4	0.3	0.4
Expected life of the options	14.0	5.5	0.2	0.5
Risk free interest rate(%)	7.1	0.1	0.1	0.1
Expected dividend (%)	0.2	0.0	0.0	0.0
Weighted average fair value as on Grant Date	213.0	102.8	131.6	116.4

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected volatility was determined based on the volatility of the equity share for the period of one year prior to issue of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

## Modification of share based payment:

In pursuance to the court scheme effective from 1st April 2014, Sterling holiday resorts was merged with Thomas Cook Insurance services, its immediate parent entity. Thomas cook India limited issued options replacing the existing options of Sterling by issuing its own shares in consideration for the merger. Such modification of share based payment arrangements of sterling are accounted for as per Ind AS 102. Accordingly, the incremental cost in the fair value of the options at the initial grant date and the replacement date is taken as expense in the books of Thomas Cook India Limited. Fair value of the replacement options issued by the company are calculated using the inputs disclosed in inputs table.

## Expenses/shares option outstanding account arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	31 March 2017	31 March 2016
Employee option Plans	1,089.8	1,442.6
Shares option outstanding account	3,507.7	2,991.5

## Quess Corp Ltd. ("Quess")

### A Description of share based payment arrangement

Quess has introduced the 'IKYA Employee Stock Option Scheme 2009' ('the Option Scheme 2009') and has issued stock options on its own shares to specified employees of Quess. The scheme was approved by the Board of Directors in its meeting held on 19 November 2009. The Option Scheme 2009 provides for the creation and issue of 5,200,000 (bonus adjusted) options that would eventually convert into equity shares of Rs 10 each in the hands of the employees. The options has a vesting schedule over a three year period and are exercisable only upon the occurrence of the liquidity event. The scheme defines 'liquidity event' as an initial public offering by Quess (or one of its subsidiaries) or dilution of voting right below majority of the existing shareholders. The exercise price of these stock options is Rs 10. All outstanding options were vested as 31 March 2015. As at 31 March 2016, Quess has 682,382 options outstanding. The cost stock options have been accounted under intrinsic value over vesting period.

On 5 February 2013, the existing shareholders entered into a Share Purchase Agreement with Thomas Cook (India) Limited (TCIL) by which TCIL acquired majority share holding in Quess. On 14 May 2013, TCIL acquired majority shareholding in Quess which confirms the occurrence of this first liquidity event on which date the entire stock options granted got vested. Accordingly, Quess has accelerated the ESOP cost from 5 February 2013 to ensure the ESOP cost for the entire stock options granted gets vested by 14 May 2013. As a result of first liquidation event, on 7 May 2013, Quess issued 429,000 shares to the employees resulting in the transfer of Rs 11,400,000 from share option outstanding account to securities premium account. The scheme defines 'first liquidity event' as an initial public offering by Quess (or one of its subsidiaries) or dilution of voting right below majority of the existing shareholders. As per the 'grant agreement', on the occurrence of a liquidity event, all options granted shall become vested. The Quess Corp Limited Employees' Stock Option 2009 (ESOP 2009) was brought in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI ESOP Regulations) pursuant to resolutions passed by Quess's Board and Shareholders dated 22 December 2015 and 23 December 2015 respectively.

## Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Quess, pursuant to resolutions passed by the Board and its Shareholders resolutions dated 22 December 2015 and 23 December 2015, respectively, adopted Quess Corp Limited Employee Stock Option Scheme 2015 ("ESOP 2015"). Pursuant to ESOP 2015, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2015). The aggregate number of Equity Shares, which may be issued under ESOP 2015, shall not exceed 1,900,000 Equity Shares. Following ESOP disclosure is excluding the impact of bonus issue made on 5 January 2016.

Quess, pursuant to resolutions passed by the Board and its Shareholders resolutions dated 22 December 2015 and 23 December 2015, respectively, adopted Quess Corp Limited Employee Stock Option Scheme 2015 ("ESOP 2015"). Pursuant to ESOP 2015, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2015). The aggregate number of Equity Shares, which may be issued under ESOP 2015, shall not exceed 1,900,000 (bonus adjusted) Equity Shares. Quess has not granted any options till 31 March 2016 under ESOP 2015 scheme.

### B Measurement of fair values

Quess does not have any unvested option as at 1 April 2015 under Employee Stock Option Scheme 2009. Quess has elected for the exemption of Employee Share based payment under Ind AS 101 and accordingly fair valuation of options on the grant date was not required.

### C Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option plans were as follows.

Particulars	Year ended 31 March 2017 Number of Share options
<b>Outstanding options, beginning of the year</b>	2,729,528
Add: Granted during the year	-
Less: Exercised during the year	837,608
Less: Lapsed/forfeited during the year	-
<b>Options exercisable at the end of the year</b>	3,567,136
Add: Bonus impact on ESOP outstanding	-
<b>Options vested and exercisable, end of the period (Including bonus impact)</b>	1,891,920

During the previous year, 188,618 options was forfeited and resultantly an amount of Rs 126.6 was transferred from Share option outstanding account to General Reserve. Further, as detailed in note 3, Quess has issued Bonus shares and accordingly has passed a resolution vide its board meeting dated 22 December 2015 that the bonus will be equally applicable to the option holders at the time of exercise. Resultantly, 682,382 options will be converted into 2,729,528 shares.

The options outstanding as at 31 March 2017 have an exercise price of Rs 10 (31 March 2016: Rs 10) and a weighted average remaining contractual life of 4.17 years (31 March 2017: 5.17 years)

The weighted average share price at the date of exercise for share options exercised in 2016-17 is Rs 10 (2015-16: no option exercised).

### Note 34: Earnings /(Loss) Per Share

Particulars	31 March 2017	31 March 2016
<b>(a) Basic earnings / (Loss) per share</b>		
From continuing operations attributable to the equity holder of the company	2.1	(1.6)
<b>(b) Diluted earnings / (Loss) per share</b>		
From continuing operations attributable to the equity holders of the company	2.1	(1.6)
<b>(c) Reconciliation of earnings used in calculating earnings / (loss) per share</b>		
Particulars	31 March 2017	31 March 2016
<b>Basic earnings /(loss) per share</b>		
Profits / (losses) attributable to the equity holders of the company used in calculating basic earnings /(loss) per share		
From continuing operation	7767.1	(5,852.1)
Profits / (losses) attributable to the equity holders of the company :		
Used in calculating earnings per share		
<b>Profits / (losses) attributable to the equity holders of the company used in calculating diluted earnings / (loss) per share</b>	7,767.1	(5,852.1)



# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**(d) Weighted average number of shares used as the denominator**

Particulars	31 March 2017 Number of shares	31 March 2016 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earning / (loss) per share (in lakhs)	3,667.6	3,658.8
Adjustments for calculation of diluted earnings per share:		
Effect of Dilutive Issue of Stock Options options	33.9	26.0
<b>Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning / (loss) per share (in lakhs)</b>	<b>3,701.5</b>	<b>3,684.8</b>

**(e) Information concerning the classification of securities**

Options granted to employees under the ESOP Option Plan are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in **Note 33**.

**Note 35: Assets pledged as Security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	31 March 2017	31 March 2016	1 April 2015
<b>Current</b>			
<b>Financial Assets</b>			
Receivables	1,639.2	6,834.6	1,475.0
Inventories	13.7	14.2	-
Other current assets	395.0	373.9	-
Investments	770.0	-	-
<b>Total Current assets pledged as security</b>	<b>2,817.9</b>	<b>7,222.7</b>	<b>1,475.0</b>
<b>Non-Current</b>			
Freehold land	282.3	282.3	-
Freehold buildings	4,698.0	4,108.6	-
Moveable assets	4,452.1	3,701.3	-
<b>Total Non-Current assets pledged as security</b>	<b>9,432.4</b>	<b>8,092.2</b>	<b>-</b>
<b>Total assets pledged as security</b>	<b>12,250.3</b>	<b>15,314.9</b>	<b>1,475.0</b>

**Note 36: Business combination****A. Acquisitions made by the Group in 2016-17**

- i) On 26 April 2016, Quess Corp Limited acquired 100% equity interest in Quess Corp Lanka (Private) Limited [formerly known as Randstad Lanka (Private) Limited] through its wholly owned subsidiary Quess Corp Holdings Pte. Ltd for a consideration of Rs 387.2. The business acquisition was effected by entering into a Share Purchase Agreement (SPA) dated 14 October 2015 with Randstad India Private Limited. Accordingly during the year Quess Corp Lanka (Private) Limited became the wholly owned subsidiary of Quess Corp Limited. Quess Corp Lanka (Private) Limited is one of the top five human resource services providers in Sri Lanka. This acquisition will enable the Group strengthen the position as a leading provider of integrated human resource solutions across staffing, permanent recruitment, executive search and recruitment process outsourcing. The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to Rs 288.1. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill of Rs 99.1.

The purchase price has been allocated based on Management's estimates as follows:

Particulars	Acquiree's carrying Amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	2.9	-	2.9
Net assets (excluding above)	277.9	-	277.9
Deferred tax assets	7.3	-	7.3
<b>Total</b>			<b>288.1</b>
Goodwill			99.1
<b>Purchase consideration paid</b>			<b>387.2</b>

## Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

### ii) Acquisition of Inticore VJP Advance Systems Private Limited

On 1 December 2016, Qess Corp Limited acquired 73.95% equity interest in Inticore VJP Advance Systems Private Limited ("IASPL") for a consideration of Rs 349.9. The business combination was effected by entering into a Share Subscription Agreement (SSA) dated 14 October 2015 with IASPL and promoters of IASPL. IASPL offer engineering solutions to clients including component design solutions, development engineering and sourcing management.

The purchase price has been allocated based on Management's estimates as follows:

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	4.2	-	4.2
Net assets (excluding above)	338.6	-	338.6
Deferred tax assets	2.0	-	2.0
<b>Total</b>	<b>344.8</b>	<b>-</b>	<b>344.8</b>
<b>Share of the Group at 73.95%</b>			<b>255.0</b>
Non - controlling interests			(89.8)
Goodwill			94.9
<b>Purchase consideration paid</b>			<b>349.9</b>

### iii) Acquisition of Comtel Solutions Pte Limited

On 14 February 2017, Qess Corp Limited through its wholly owned subsidiary Qesscorp Holdings Pte. Ltd ("QHPL") acquired 100% equity interest in Comtel Solutions Pte Limited ("CSPL") for a consideration of Rs 25,094.5. The business combination was effected by entering into a Share Purchase Agreement (SPA) dated 14 February 2017 with promoter-shareholder of CSPL Mr. Gopal Vasudev (GV) whereby the parties agreed that QHPL would purchase, and GV would sell, 100% shareholding in Comtel in four tranches. CSPL is one of Singapore's largest independent staffing companies with services offered across staffing solutions, managed services solutions, and recruitment and search services.

As CSPL acquisition has been completed towards end of the financial year, the management has decided to avail the one year measurement period available as per Ind AS 103 for completing the purchase price allocation exercise. Accordingly, for the year ended 31 March 2017, the group has provisionally allocated the purchase consideration.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to Rs 6,988.4. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill of Rs 18,106.1.

The fair value of purchase consideration aggregates to Rs 25,094.5. The details are as follows:

Nature of consideration and terms of payment	Amount	Fair Value
1. Upfront cash consideration	12,657.0	12,657.0
2. Additional consideration [refer note (i) below]	1,169.1	1,169.1
3. Forward liability [refer note (ii) below]	4,459.5	4,235.8
4. Value of non-controlling interests put option [refer note (iii) below]	8,066.8	7,032.6
<b>Total purchase consideration</b>	<b>26,352.4</b>	<b>25,094.5</b>

- (i) As per the SPA, an additional consideration computed as per predefined calculation was payable to GV based on the EBITDA of CSPL for the financial year ending 31 March 2017. The Group has calculated the amount payable to GV at SGD 24.8, which will be paid before 30 June 2017.
- (ii) As per the SPA, GV is bound to sell to QHPL equity shares of 11% each of CSPL in March 2018 and March 2019. Accordingly, these two tranches of equity share acquisition has been recorded as forward liability as on the date of SPA.
- (iii) As per the SPA, GV has a put option to QHPL on all the balance equity shares of CSPL as on that date from 1 April 2019 to 31 March 2022 ("Put option period"). This tranche of equity share acquisition has been recorded as non-controlling interests put option as on the date of SPA.

The purchase price has been allocated based on Management's estimates as follows:

Particulars	Acquiree's carrying Amount	Fair value adjustments	Purchase price allocated
Net assets	6,988.4	-	6,988.4
<b>Total</b>	<b>6,988.4</b>	<b>-</b>	<b>6,988.4</b>
Goodwill			18,106.1
<b>Purchase consideration paid</b>			<b>25,094.5</b>

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**B. Acquisitions made by the Group in 2015-16****i) Acquisition of SOTC Travel Services Private Limited**

The Company along with its subsidiary Travel Corporation (India) Limited acquired a 100% stake in SOTC Travel Services Private Limited ('formerly known as Kuoni Travel India Private Limited') by purchasing 9,713,050 Equity Shares of Rs. 10 each fully paid up for a consideration of Rs. 32,000.0. It is one of the largest travel and tourism company in India operating across various segments like Leisure Travel, Business Travel and Destination Management Services.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to Rs 21,623.4. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill of Rs 10,376.6.

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	1,077.9	-	1,077.9
Net assets (excluding above)	20,158.8	-	20,158.8
Recognition of Brand (net of deferred tax)	-	3,669.7	3,669.7
Recognition of Contingent Liabilities	-	(3,283.0)	(3,283.0)
<b>Total</b>	<b>21,236.7</b>	<b>386.7</b>	<b>21,623.4</b>
<b>Share of the Group at 100%</b>			<b>21,623.4</b>
Goodwill			10,376.6
<b>Purchase consideration paid</b>			<b>32,000.0</b>

**ii) Acquisition of Kuoni Travel (China) Limited**

The Company's step down subsidiary Travel Circle International Limited (formerly known as Luxe Asia Travel (China) Limited) acquired a 100% stake in Kuoni Travel (China) Limited for a consideration of Rs. 21,506.2. Headquartered in Hong Kong, Kuoni China is one of the leading travel specialists in HongKong offering leisure tours, luxurious cruise holidays, business travel and destination and event management services.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to Rs 4,001.2. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill of Rs 17,505.0.

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	470.1	-	470.1
Net assets (excluding PPE)	3,531.1	-	3,531.1
<b>Total</b>	<b>4,001.2</b>	<b>-</b>	<b>4,001.2</b>
<b>Share of the Group at 100%</b>			<b>4,001.2</b>
Goodwill			17,505.0
<b>Purchase consideration paid</b>			<b>21,506.2</b>

**iii) Acquisition of Luxe Asia Private Limited**

The Company's subsidiary Thomas Cook Lanka (Private) Limited acquired a 100% stake in Luxe Asia Private Limited, Sri Lanka for a consideration of Rs. 234.6. Luxe Asia (Pvt) Ltd. is one of the emerging Destination Management Companies (DMC) in Sri Lanka, primarily engaged in the business of Inbound Tourism in Sri Lanka and Maldives.

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	29.3	-	29.3
Net assets (excluding above)	(164.0)	-	(164.0)
<b>Total</b>	<b>(134.7)</b>	<b>-</b>	<b>(134.7)</b>
<b>Share of the Group at 100%</b>			<b>(134.7)</b>
Goodwill			369.4
<b>Purchase consideration paid</b>			<b>234.7</b>

**iv) Acquisition of Aravon Services Private Limited**

During the previous year, Quess Corp acquired 100% of equity interest in Aravon Services Private Limited (ASPL). The acquisition was effected through a Share Purchase Agreement (SPA) dated 12 February 2015, among Quess Corp Limited, Aramark India Holdings LLC and Aramark Senior Notes Company for a consideration of Rs 100. The effective date of acquisition was 1 April 2015. ASPL is engaged in rendering integrated food and facility management service to corporate customers in India, predominantly in the areas of housekeeping services and guest house

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management services. This acquisition will enable the Group strengthen its position as a leading pan-India player in India's integrated facility management sector with an integrated offering of soft and hard services, pest control and catering.

The fair value of net liabilities acquired on the acquisition date as a part of the transaction amounted to Rs 73.0. The purchase consideration paid and the fair value of net liabilities acquired has been attributed to goodwill of Rs 73.0.

The purchase price has been allocated based on Management's estimates as follows:

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	202.2	-	202.2
Intangible assets	19.4	(19.4)	-
Net assets (excluding above) #	(1.1)	(425.3)	(426.4)
Deferred tax assets	-	151.2	151.2
<b>Total</b>			<b>(73.0)</b>
Goodwill			73.0
<b>Purchase consideration paid *</b>			<b>(0.0)</b>

# A liability at a fair value of Rs 425.3 was recognised at the acquisition date resulting from a claim from service tax department pertaining to service tax due in respect of labour supply and housekeeping services.

\* Purchase consideration paid is Rs 0.001

### v) Acquisition of MFXchange Holdings Inc.

On 3 November 2014, Qess Corp Limited, through its wholly owned subsidiary Qess Corp (USA) Inc. ("QCI") entered into a Share Purchase Agreement ("SPA") with Fairfax Financial Holdings Limited ("FFHL") to acquire MFXchange Holdings Inc. ("MFX"). As per the terms of the SPA, QCI acquired 49% of the common shares for USD 49 on 3 November 2014. Further, it was also agreed that Qesscorp Holdings Pte Ltd (wholly owned subsidiary of Qess Corp Limited, "QHPL") would acquire remaining 51% of common shares for USD 51 by 1 January 2016 and to pay FFHL an additional consideration at 40% of the net income of MFX for each of the calendar years ending on 31 December 2015, 31 December 2016, 31 December 2017, 31 December 2018 and 31 December 2019 respectively ("Additional Consideration"). Based on the same, QHPL acquired remaining 51% of shares on 1 January 2016 and MFX became wholly owned subsidiary during the previous year.

The fair value of net liabilities acquired on the acquisition date as a part of the transaction amounted to Rs 6,205.4. The purchase consideration paid and the fair value of net liabilities acquired has been attributed to goodwill of Rs 9,095.7.

The fair value of purchase consideration of Rs 2,890.3 comprised upfront cash consideration of Rs 0.03 and contingent consideration of Rs 2,890.3. The details are as follows:

Nature of consideration and terms of payment	Amount	Fair Value
1. Upfront cash consideration	0.0	0.0
2. Contingent consideration; payable in five instalments on each calendar year ending 31 December 2015, 31 December 2016; 31 December 2017; 31 December 2018 and 31 December 2019	3,221.2	2,890.3
<b>Total purchase consideration</b>	<b>3,221.2</b>	<b>2,890.3</b>

Contingent consideration recognized on the acquisition date is determined based on management approved forecast of likely earn outs to be paid to the erstwhile owners of MFX. The fair value of the contingent consideration has been arrived by computing the present value of estimated cash outflows at a discount rate of 3.5% which approximates the prime lending rate at United States of America.

The purchase price has been allocated based on Management's estimates as follows:

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	2,323.7	-	2,323.7
Intangible assets	200.9	-	200.9
Net assets (excluding above)	(8,614.2)	-	(8,614.2)
Deferred tax assets	-	(115.8)	(115.8)
<b>Total</b>			<b>(6,205.4)</b>
Goodwill			9,095.7
<b>Purchase consideration paid</b>			<b>2,890.3</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

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## vi) Nature Trails Resorts Private Limited

On March 15, 2016, Sterling Holiday Resorts Limited acquired 100% of the issued share capital of Nature Trails Resorts Private Limited (NTRPL). NTRPL is in the business of resorts, camp sites and activity camps. Details of the purchase consideration, the net assets acquired and goodwill are as follows :

Purchase Consideration	Amount
Cash paid	620.4
Contingent consideration	461.9
<b>Total Purchase Consideration</b>	<b>1,082.3</b>

The purchase price has been allocated based on Management's estimates as follows:

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	2,577.8	-	2,577.8
Intangible - Nature trails brand		283.6	283.6
Net assets (excluding above)	(1,850.2)	-	(1,850.2)
<b>Total</b>	<b>727.6</b>	<b>283.6</b>	<b>1,011.2</b>
Goodwill			71.0
<b>Purchase consideration paid</b>			<b>1,082.2</b>

An amount of Rs. 461.9 has been recognised as contingent consideration as on the acquisition date. As per the arrangement entered into by the Sterling Holiday Resorts Limited with the promoters of NTRPL, an amount of Rs. 500 with an interest of 12% will be paid to the promoters of NTRPL on the achievement of the agreed target revenue/ profits, for which, NTRPL has issued 0.1 % Non Cumulative Redeemable preference shares to the promoters which is redeemable at the end of 5 years based on the achievement of targets as specified above. The group expects that NTRPL would achieve the target agreed with the promoter. The potential undiscounted amount payable under the agreement would be Rs. 702.5 (which includes interest as described above). The fair value of the contingent consideration of Rs. 461.9 was estimated by calculating the present value of the future expected cashflow and the estimates are based on a discount rate of 15%. There are no changes to the above measurement, range of outcomes, valuation techniques from the acquisition date till the end of the current reporting period (i.e March 31, 2017).

The fair value of acquired trade receivables is Rs. 398.0 . The gross contractual amount for trade receivables due is Rs. 398.0 of which no amounts are expected to be uncollectible.

## vii) Merger of Sterling Holiday Resorts (India) Limited

The Board of Directors of the Company, Thomas Cook Insurance Services (India) Limited ("TCISIL") & Sterling Holiday Resorts (India) Limited (Sterling) had at their meetings held on February 7, 2014 approved a composite scheme of arrangement and amalgamation (Scheme) pursuant to which there was: (i) a demerger of the resort and timeshare business from Sterling to TCISIL, and (ii) amalgamation of residual Sterling into the Company.

Pursuant to the scheme, (i) 116 equity shares of paid up value Re. 1 each of the Company were to be issued to the shareholders of Sterling for every 100 equity shares held in Sterling of paid up value of Rs. 10 in consideration of the demerger of the resort and timeshare business of Sterling from Sterling to TCISIL; and (ii) 4 equity shares of the Company of paid up value of Re. 1 each were to be issued to the shareholders of Sterling for every 100 equity shares held in Sterling of paid value of Rs. 10 in consideration of the amalgamation of residual Sterling into the Company.

The Hon'ble High Court of Madras sanctioned the Scheme of Sterling on April 13, 2015, while the Hon'ble High Court of Bombay sanctioned the Scheme of the Company and TCISIL on July 2, 2015. The High Court Order was filed with the Registrar of Companies, Mumbai on August 18, 2015 and thus, the scheme is effective from April 1, 2014 (Appointed date).

After obtaining statutory approvals, the Company completed the process of allotment of 48,657,929 equity shares of Re. 1 each to the shareholders of Sterling in pursuance of the Scheme on September 3, 2015 as per the above swap ratio.

Subsequent to Sterling's demerger into TCISIL as per court approved scheme, TCISIL's name has been changed to Sterling Holidays Resorts Limited ("SHRL") with effect from September 1, 2015.

In terms of Scheme, all the assets and liabilities of residual Sterling are transferred to and vested in the Company and recorded at their respective fair values as determined by Board of Directors of the Company.

The difference, between the fair value of net assets of residual Sterling transferred to the Company and recorded by the Company pursuant to the order of the jurisdictional High Court(s) over the face value of equity shares allotted by the Company has been debited to Goodwill Account amounting to Rs 446.3 .

Pursuant to the scheme becoming effective, net assets of residual Sterling amounting to Rs. 25.3 as on April 1, 2014 have been taken over and Goodwill of Rs 22,984.1 has been recorded after giving effect to the scheme .

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 37: Interests in other entities****a) Non Controlling Interest**

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance Sheet	Quess Corp Limited			SOTC Travel Services Pvt Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Current assets	135,081.8	84,494.6	48,738.8	72,277.3	56,298.8	-
Current liabilities	101,350.0	81,458.1	45,798.6	77,246.9	41,968.2	-
<b>Net current assets</b>	<b>33,731.8</b>	<b>3,036.5</b>	<b>2,940.2</b>	<b>(4,969.6)</b>	<b>14,330.6</b>	-
Non-current assets	89,558.4	37,541.4	22,542.6	32,748.2	9,694.8	-
Non-current liabilities	42,978.5	7,884.3	917.8	205.6	513.3	-
<b>Net non-current assets</b>	<b>46,579.9</b>	<b>29,657.1</b>	<b>21,624.8</b>	<b>32,542.6</b>	<b>9,181.5</b>	-
<b>Net assets</b>	<b>80,311.64</b>	<b>32,693.6</b>	<b>24,565.0</b>	<b>27,573.1</b>	<b>23,512.0</b>	-
<b>Accumulated NCI</b>	<b>27,584.1</b>	<b>9,829.2</b>	<b>7,482.9</b>	<b>488.2</b>	<b>458.9</b>	-

Summarised statement of profit and loss	Quess Corp Limited		SOTC Travel Services Pvt Limited	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Revenue	417,261.1	344,406.6	178,032.8	34,214.6
Profit for the year	10,919.2	7,491.2	3,830.4	1,805.5
Other comprehensive income	(513.2)	381.4	59.2	11.3
<b>Total comprehensive income</b>	<b>10,406</b>	<b>7,872.6</b>	<b>3889.6</b>	<b>1,816.8</b>
Profit allocated to NCI	3,829.5	2,058.0	29.3	0.3

**b) Interest in Associate**

- i) Quess Group has entered into Share Purchase Agreement ("SPA") with Terrier Security Solutions Private Limited ("Terrier") and its shareholders on 19 October 2016, to acquire 74% stake in Terrier subject to the approval of Foreign Investment Promotion Board ("FIPB") for consideration as per the terms mentioned in the SPA. The Quess Group has currently acquired 49% stake on 9 December 2016 for a consideration of Rs 7,200 lakhs and accordingly Terrier has become an associate of the Quess Group.

The following table summarizes the financial information of Terrier as included in its own financial statements, adjusted for fair value adjustments at acquisitions and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Terrier.

Summarised balance Sheet	31 March 2017	31 March 2016	1 April 2015
<b>Percentage ownership interest</b>	<b>49.0%</b>		
Current assets	8,141.8	-	-
Current liabilities	6,813.8	-	-
<b>Net current assets</b>	<b>1,328.0</b>	-	-
Non-current assets	1,260.6	-	-
Non-current liabilities	79.0	-	-
<b>Net non-current assets</b>	<b>1,181.6</b>	-	-
<b>Net assets</b>	<b>2,509.7</b>	-	-
Less: Other equity - Deemed capital contribution corporate guarantee	11.0	-	-
<b>Net assets</b>	<b>2,498.7</b>	-	-
Group's share of net assets	1,224.3	-	-
<b>Carrying amount of interest in associates</b>	<b>1,224.3</b>	-	-
Add: Other equity - Deemed capital contribution corporate guarantee	11.0	-	-
<b>Value of investment</b>	<b>1,235.3</b>	-	-

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Summarised statement of profit and loss	31 March 2017	31 March 2016	1 April 2015
Revenue	10,440.2	-	-
Profit for the year	52.8	-	-
Other comprehensive income	111.1	-	-
<b>Total comprehensive income</b>	<b>163.9</b>	<b>-</b>	<b>-</b>
Group's share of profit (49%)	25.9	-	-
<b>Group's share of total comprehensive income</b>	<b>80.3</b>	<b>-</b>	<b>-</b>

- ii) The Quess Group has entered into Share Subscription Agreement (SSA) dated 19 October 2016 with Simpliance Technologies Private Limited ("Simpliance") and its shareholders to acquire equity stake of upto 45% in Simpliance for a consideration of Rs 250 lakhs. The Group has currently acquired 27% equity stake for a consideration of Rs 113 lakhs and accordingly Simpliance has become an associate of the Group.
- iii) The Quess Group has entered into agreement with CPI Engineering Services SDN. BHD ("CPI") and incorporated Himmer Industrial Services (M) SDN. BHD ("Himmer") in which the group has 49% equity stake. Considering provisions of the agreement the Group has classified investment in Himmer as joint venture as per Ind AS 111, Joint Arrangements.

## Note 38 : Exceptional Item

Particulars	March 31, 2017	March 31, 2016
Capital work in progress written off (Refer Note (a) below)	-	2,165.9
Provision for doubtful debts (Refer Note (b) below)	-	7,219.0
<b>Total</b>	<b>-</b>	<b>9,384.9</b>

- a) Capital work in progress balance of erstwhile Sterling Holiday Resorts India Limited (SHRIL) included an amount of Rs. 2,165.9 incurred in earlier years in respect of various projects which were suspended earlier. These projects were expected to be resumed and completed on a phased manner in the future. However the management of Sterling based on its expansion/renovation plan re-assessed these projects as at March 31, 2016. Considering the design requirements and specification of resorts to be developed to meet the current industry standards, the expenditure incurred in the earlier years would no longer support the new requirements and hence these have been written off.
- b) A provision of Rs. 4,009.8 was recognised by the management of Sterling considering the trend of collections from vacation ownership contracts and anticipated cancellations, pertaining to overdue receivables after considering the future receivables and corresponding deferred income available from the members admitted in the previous years. The management believes based on its past experience and evaluation of these overdue balances, that these contracts will eventually be cancelled in a phased manner. Consequently, the future receivables (including those which is due after 12 months) from such customers and corresponding deferred income has been presented within trade receivables in Note 8(c).

A provision of Rs.3,209.1 made by the management of Sterling based on the evaluation of the amount expected to be collected from the members admitted in the year 2015-16 based on the past experience.

## Note 39: Property related matters

- a) During the financial year 2011-12, pursuant to One Time Settlement (OTS) scheme, Sterling had fully settled the dues of a Financial Institution (FI) and also obtained a 'No Due' certificate. However, the FI has not released the title deeds of the properties given as security for the reason that a Third Party has filed a writ petition against the FI challenging the cancellation of sale of the said property to them. Sterling is also a party to the said writ petition. The said writ petition was disposed off by Hon'ble High Court of Madras, against Sterling. Sterling has preferred Special Leave Petition (SLP) before the Hon'ble Supreme Court of India and the Court has ordered 'Status quo' in all respects concerning the said properties. The net book value of land and building as at March 31, 2017 in respect of the said property aggregates to Rs. 4,587.9 (March 31, 2016: Rs. 4,573.2, April 01, 2015: Rs.4,313.9). In view of management and based on the independent legal opinion obtained, Sterling has a fair chance to succeed in appeal pending before Hon'ble Supreme Court of India.
- b) Sterling had in the past transferred a property at Goa and part of the sale consideration amounting to Rs. 527.1 (March 31, 2016: Rs. 527.1, April 01, 2015: Rs. 527.1) (included under "Other Financial Assets") is retained by the buyer pending compliance of certain conditions. Sterling is confident of recovering this amount as it has taken effective steps for discharge of its obligations. Sterling is also legally advised that it has the right of vendor's lien against the immovable property sold to the extent of amount due. Sterling has filed a suit against the buyer for recovery of the amount. In view of the aforesaid, the above amount is considered good and recoverable by Management.
- c) Sterling had in the past transferred a property of 7.3 acres out of 10.3 acres land parcel at Chail for consideration and with a condition that the buyer would construct 10 cottages in the 3 acres land retained by Sterling and handover the same. However, the buyer had taken the possession of the entire parcel of land and had not fulfilled the condition. The book value of the land is Rs. 87.3. The title deeds for 3 acres of land is not available with Sterling. There is an arbitration award in favour of Sterling which Sterling is enforcing in the court of law. Sterling is of the view that it has a fair chance to succeed in its plea.



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**d Other Property related matters**

Property	Written down value	Remarks
Kodai Valley view	108.9	Title documents submitted with court as part of the plaint filed in response to litigation for title.
Hubli	6.6	Sale deed not registered in the name of Sterling. Sterling has paid the entire consideration and taken over possession of the property. Seller company has been liquidated. Sterling needs to file necessary suit to register the title.
Peermedu	1,685.0	Sterling is in possession of a leasehold land in Peermedu under finance lease. The lease deed relating to this land is yet to be registered by Sterling

**Note 40: Contingent liabilities and contingent assets****Contingent liabilities**

Particulars	31 March 2017	31 March 2016	1 April 2015
Claims against the Group not acknowledged as debts			
Demand from Bombay Electric Supply and Transport for electricity charges	19.6	19.6	19.6
Disputed claims made by clients, vendors, employees and property related matter	1,890.7	1,765.7	945.6
Disputed Labour law suits	-	-	3.0
Provident Fund	257.3	257.3	-
Bonus	3,258.8	3,258.8	-
Direct and Indirect tax matters *	9,032.6	11,531.4	3,887.2
Guarantees issued in favor of commercial tax authorities	-	-	1.0
Bank guarantees issued against performance of contract	116.6	60.5	1,011.8
Disputed demand for Increase in rent raised by Brihanmumbai Municipal Corporation	671.8	630.5	589.2
Liabilities in respect of securitised debts with recourse	-	-	966.8
Luxury tax related demands under appeal	1,213.1	1,669.4	946.7

\*(excludes show cause notices aggregating Rs. 8,286.1 which have been responded by the Group, stay order obtained and against which no demands have been raised as of date)

- (a) It is not practicable for the Group to estimate the timing of cash flows, if any, in respect of the above pending resolution of the respective proceedings.
- (b) The Group does not expect any reimbursement in respect of the above contingent liabilities.

**Note 41: Commitments****(a) Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Estimated value of contracts on capital account remaining to be executed	3771.2	2609.8	17978.5

**(b) Non-cancellable operating leases**

The group leases various offices, warehouses and retail stores under non-cancellable operating leases expiring within eleven months to nine years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Particulars	31 March 2017	31 March 2016	1 April 2015
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>			
Within one year	6,270.5	6,413.8	1,682.3
Later than one year but not later than five years	13,802.4	15,042.1	9,699.0
Later than five years	2,794.4	4,049.0	4,690.6

**Rental expense relating to operating leases**

Particulars	31 March 2017	31 March 2016
Minimum lease payments	16,788.8	13,440.1

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**(c) Financing leases:**

Particulars	31 March 2017	31 March 2016
(i) Minimum Lease Payments payable		
Not later than one year	1,634.6	1,385.8
Later than one year but not later than five years	2,351.9	2,244.1
	3,986.5	3,629.8
(ii) Present Value of Minimum Lease Payments payable		
Not later than one year	1,521.7	1,259.7
Later than one year but not later than five years	2,207.6	2,059.7
	3,729.3	3,319.4
(iii) Reconciliation of Minimum Lease Payments and their Present Value		
Minimum Lease Payments Payable as per (i) above	3,986.4	3,629.8
Less: Finance Charges to be recognised in subsequent years	257.3	310.4
Present Value of Minimum Lease Payments payable as per (ii) above	3,729.1	3,319.4
(iv) Finance Charges recognised in the Statement of Profit and Loss	135.5	84.8

**Note 42: Disclosure on Specified Bank Notes (SBNs)**

During the year, the Group had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified Bank Notes*	Other Denomination notes & coins	Total
<b>Closing cash in hand as on November 8, 2016</b>	1,522.6	524.6	2,047.1
(+) Permitted receipts	1.3	12,164.8	12,166.1
(+) Receipts for non - permitted transactions	-	-	-
(+) Withdrawal from Bank Accounts	-	15.0	15.0
(-) Permitted payments	18.5	8,254.7	8,273.2
(-) Amount deposited in Banks	1,505.4	3,833.3	5,338.7
<b>Closing cash in hand as on December 30, 2016</b>	(0.0)	616.4	616.3

\* For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

**43** Styra Corp Management Services ("Styra") and IME Consultancy ("IME") are sole proprietorship establishments incorporated in Dubai, United Arab Emirates. Both these entities are registered in the name of Mr. Ajit Issac and Mr. Mohamed Mazarooki has been appointed as local service agent. On 14 April 2015 Mr. Ajit Isaac transferred 100% beneficial ownership of these two entities to Mr. MS Vishwanathan ("MSV") for Rs 190 lakhs. On 5 December 2015, MSV transferred 100% beneficial ownership in Styra and IME to Quesscorp Holdings PTE Ltd ("QHP"), a subsidiary of the Company for Rs. 200.00 lakhs and entered into business transfer agreement to assist in executing the beneficial ownership agreement, trust deeds, power of attorneys or other agreement, deeds or documentation in favor of QHP. Also, MSV agreed to make all reasonable endeavors to transfer all Permits and licenses to QHP.

The Group, based on a legal advice received from an external lawyer of Dubai, has not consolidated these entities as the Management believe that these entities will continue to operate as sole establishments under the registered ownership of and professional licenses held by Ajit Isaac, in accordance with applicable laws of United Arab Emirates. The Group only holds the beneficial rights, title and interests and benefits derived therefrom assets and business of such entities, and does not directly or indirectly hold any voting power in these entities.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Note 44 : Statement showing amount of net assets, net assets as a percentage of consolidated assets, amount of share in profit or loss and share in profit or loss as a percentage of consolidated profit and loss**

Entity	Percentage consolidated	Net assets	Net assets % to consolidated assets	Share in profit / (loss)	% of Consolidated Share in Profit/ (loss)	Share in Other Comprehensive Income	% of Consolidated Other Comprehensive Income	Share in Total Comprehensive Income	% of Consolidate Total Comprehensive Income
<b>Parent</b>									
Thomas Cook (India) Limited	100.0%	115,988.0	64.38%	(835.7)	-10.8%	(137.9)	-1.8%	(973.6)	-12.5%
<b>Subsidiaries - Indian</b>									
Travel Corporation (India) Limited	100.0%	17,192.0	9.54%	232.0	3.0%	83.1	1.1%	315.1	4.1%
TC Tours Limited (formerly known as Thomas Cook Tours Limited)	100.0%	1,022.0	0.57%	586.1	7.5%	6.9	0.1%	593.0	7.6%
Indian Horizon Marketing Services Limited	100.0%	1.3	0.00%	(0.6)	0.0%	-	0.0%	(0.6)	0.0%
TC Visa Services (India) Limited	100.0%	395.0	0.22%	194.0	2.5%	0.0	0.0%	194.0	2.5%
Jardin Travel Solutions Limited	100.0%	(4.0)	0.00%	(1.0)	0.0%	-	0.0%	(1.0)	0.0%
Borderless Travel Services Limited	100.0%	(4.0)	0.00%	(1.0)	0.0%	-	0.0%	(1.0)	0.0%
Sterling Holiday Resorts Limited (formerly known as Thomas Cook Insurance Services (India) Limited)	100.0%	19,588.0	10.87%	(3,794.0)	-48.8%	(7.8)	-0.1%	(3,801.8)	-48.9%
Sterling Holidays (Ooty) Limited	100.0%	(551.0)	-0.31%	16.0	0.2%	(0.4)	0.0%	15.6	0.2%
Sterling Holidays Resorts (Kodaikannal) Limited	100.0%	(720.0)	-0.40%	(106.0)	-1.4%	(0.9)	0.0%	(106.9)	-1.4%
Nature Trails Resorts Private Limited	100.0%	1,531.6	0.85%	(345.0)	-4.4%	-	0.0%	(345.0)	-4.4%
Quess Corp Limited	62.2%	79,243.5	43.99%	9,021.0	116.1%	(202.1)	-2.6%	8,818.9	113.5%
Coachieve Solutions Private Limited	62.2%	(435.2)	-0.24%	(34.1)	-0.4%	(0.7)	0.0%	(34.8)	-0.4%
MFX Infotech Private Limited	62.2%	518.3	0.29%	358.2	4.6%	(4.6)	-0.1%	353.6	4.6%
Aravon Services Private Limited	62.2%	1,110.8	0.62%	693.6	8.9%	(26.3)	-0.3%	667.3	8.6%
Dependo Logistics Solutions Private Limited	62.2%	0.2	0.00%	(0.8)	0.0%	-	0.0%	(0.8)	0.0%
CenterQ Business Solutions Private Limited	62.2%	1.1	0.00%	0.1	0.0%	-	0.0%	0.1	0.0%
Excelus Learning Solutions Private Limited	62.2%	(15.6)	-0.01%	(33.0)	-0.4%	-	0.0%	(33.0)	-0.4%
Inticore VJP Advanced Solutions Private Limited	46.0%	345.2	0.19%	(6.3)	-0.1%	-	0.0%	(6.3)	-0.1%
SOTC Travel Services Pvt Ltd. (formerly Known as Kuoni Travel (India) Pvt Ltd)	100.0%	25,061.3	13.91%	3,116.4	40.1%	51.4	0.7%	3,167.8	40.8%
Distant Frontiers Tours Private Limited	100.0%	1,714.5	0.95%	636.3	8.2%	(2.1)	0.0%	634.2	8.2%
SITA Beach Resorts Private Limited	100.0%	0.5	0.00%	(0.4)	0.0%	-	0.0%	(0.4)	0.0%
SITA Destination Management Private Limited	100.0%	0.5	0.00%	(0.4)	0.0%	-	0.0%	(0.4)	0.0%
SITA Holidays (India) Private Limited	100.0%	5.8	0.00%	(0.0)	0.0%	-	0.0%	(0.0)	0.0%
SITA Holidays Resorts Private Limited	100.0%	0.5	-	(0.4)	-	-	-	(0.4)	-
SITA Travels Private Limited	100.0%	0.3	-	(0.5)	-	-	-	(0.5)	-
SITA Incoming (India) Private Limited	100.0%	5.8	-	(0.1)	-	-	-	(0.1)	-
SOTC Travel Private Limited (formerly known as SITA Travels Private Limited)	100.0%	0.3	0.00%	(0.5)	0.0%	-	0.0%	(0.5)	0.0%
SOTC Travel Management Private Limited (formerly known as SITA Travels and Tours Private Limited)	100.0%	0.5	-	(0.4)	-	-	-	(0.4)	-
<b>Subsidiaries- Foreign</b>									
Thomas Cook Lanka (Private) Limited	100.0%	1,162.7	0.65%	19.2	0.2%	(52.6)	-0.7%	(33.4)	-0.4%
Thomas Cook (Mauritius) Holding Company Limited	100.0%	790.0	0.44%	(11.0)	-0.1%	(23.5)	-0.3%	(34.5)	-0.4%
Thomas Cook (Mauritius) Operations Company Limited	100.0%	2,235.0	1.24%	118.0	1.5%	(56.9)	-0.7%	61.1	0.8%
Thomas Cook (Mauritius) Travel Limited	100.0%	-	0.00%	-	0.0%	-	0.0%	-	0.0%

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Entity	Percentage consolidated	Net assets	Net assets % to consolidated assets	Share in profit /(loss)	% of Consolidated Share in Profit/(loss)	Share in Other Comprehensive Income	% of Consolidated Other Comprehensive Income	Share in Total Comprehensive Income	% of Consolidated Total Comprehensive Income
Thomas Cook (Mauritius) Holidays Limited	100.0%	77.0	0.04%	51.0	0.7%	(2.3)	0.0%	48.7	0.6%
Luxe Asia Private Limited	100.0%	(347.0)	-0.19%	(64.0)	-0.8%	21.4	0.3%	(42.6)	-0.5%
Travel Circle International Ltd (formerly Known Kuoni Travel (China) Limited)	100.0%	5,131.0	2.85%	448.0	5.8%	557.9	7.2%	1,005.9	13.0%
Horizon Travel Holdings (Singapore) Private Limited	100.0%	-	0.00%	-	0.0%	-	0.0%	-	0.0%
Brainhunter Systems Limited	62.2%	(3,902.5)	-2.17%	(280.2)	-3.6%	-	0.0%	(280.2)	-3.6%
Quesscorp Inc, USA (formerly known as Magna Infotech Inc., USA)	62.2%	(20.3)	-0.01%	(118.8)	-1.5%	-	0.0%	(118.8)	-1.5%
Quess (Philippines) Corp (formerly known as Magna Ikya Infotech Inc, Philippines)	62.2%	287.0	0.16%	98.3	1.3%	-	0.0%	98.3	1.3%
Quesscorp Holdings PTE. LTD, Singapore	62.2%	6,324.8	3.51%	(95.9)	-1.2%	-	0.0%	(95.9)	-1.2%
Quessglobal (Malaysia) SDN.BHD (formerly known as Brainhunter SDN. BHD., Malaysia)	62.2%	228.8	0.13%	166.2	2.1%	-	0.0%	166.2	2.1%
MFExchange Holdings Inc, Canada	62.2%	(4,819.9)	-2.68%	495.8	6.4%	-	0.0%	495.8	6.4%
Comtel Solutions Pte Ltd	62.2%	7,357.7	4.08%	480.5	6.2%	-	0.0%	480.5	6.2%
Quess Corp Lanka Private Limited	62.2%	548.4	0.30%	295.0	3.8%	-	0.0%	295.0	3.8%
SITA World Travel (Nepal) Pvt Ltd	63.3%	1,340.1	0.74%	79.8	1.0%	-	0.0%	79.8	1.0%
SITA World Travel Lanka (Pvt) Ltd	76.0%	-	0.00%	-	0.0%	-	0.0%	-	0.0%
KAT Management Consulting (Shanghai) Co Ltd.	100.0%	-	0.00%	-	0.0%	-	0.0%	-	0.0%
Adjustment arising out of consolidation	-	(126,309.8)	-70.11%	340.6	4.4%	(412.9)	-5.3%	(72.4)	-0.9%
Minority interest in all subsidiaries	-	28,072.5	-	(3,949.0)	-50.8%	(90.2)	-1.2%	(4,039.2)	-52.0%
<b>Total</b>		<b>180,152.5</b>	<b>-</b>	<b>7,767.1</b>		<b>-300.5</b>	<b>-</b>	<b>7,466.6</b>	<b>-</b>

## Note 45: First-time adoption of Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

### A. Exemptions and exceptions available

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

#### A.1 Ind AS optional exemptions

##### (a) Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

##### (b) Share-based payment transaction

The Company has elected not to apply Ind AS 102 Share-Based Payment, to equity instruments that vested prior to the date of transition to Ind AS.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**A2. Ind AS mandatory exceptions****(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with Previous GAAP.

**(b) Reconciliations between Previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of Equity as at date of transition (1st April, 2015)**

Particulars	Notes to first time adoption	Restated Previous GAAP*	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	<b>1</b>	35,059.4	(2,552.2)	32,507.2
Goodwill	<b>2</b>	74,135.3	(9,895.9)	64,239.4
Capital work-in-progress		9,471.8	-	9,471.8
Other intangible assets	<b>3</b>	10,828.2	(145.7)	10,682.5
Intangible assets under development		201.1	-	201.1
Financial assets				
- Investments	<b>8</b>	10.0	0.4	10.4
- Loans		6.0	-	6.0
- Trade Receivables		4,386.8	-	4,386.8
- Other financial assets	<b>4</b>	7,285.9	(1,483.4)	5,802.5
Deferred tax assets	<b>9</b>	351.2	1,074.7	1,425.9
Non Current Tax Assets	<b>2</b>	7,495.1	274.0	7,769.1
Other non-current assets	<b>4</b>	2,560.6	969.5	3,530.1
<b>Total non-current assets</b>		<b>151,791.4</b>	<b>(11,758.6)</b>	<b>140,032.8</b>
<b>Current assets</b>				
Inventories		302.6	-	302.6
Financial assets				
- Investments	<b>8</b>	33,947.3	106.9	34,054.2
- Trade receivables	<b>6</b>	61,235.7	(969.4)	60,266.3
- Cash and cash equivalents		23,695.3	-	23,695.3
- Bank balances other than cash and cash equivalents		4,113.7	-	4,113.7
- Loans		415.1	-	415.1
- Other financial assets	<b>4</b>	21,742.7	76.5	21,819.2
Other current assets	<b>4</b>	14,400.4	393.2	14,793.6
<b>Total current assets</b>		<b>159,852.8</b>	<b>(392.8)</b>	<b>159,460.0</b>
<b>TOTAL ASSETS</b>		<b>311,644.2</b>	<b>(12,151.4)</b>	<b>299,492.8</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	<b>2</b>	2,727.3	486.6	3,213.9
Other equity				
Equity Component of Convertible Preference Shares		442.3	-	442.3
Reserve and surplus	<b>20</b>	130,181.0	(1,987.8)	128,193.2
Share application money pending allotment		23.7	-	23.7
Non-Controlling Interest	<b>2, 9</b>	20,994.4	(13,511.3)	7,483.1
<b>Total Equity</b>		<b>154,368.7</b>	<b>(15,012.5)</b>	<b>139,356.2</b>

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes to first time adoption	Restated Previous GAAP*	Ind AS adjustments	Ind AS
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
- Borrowings	6	10,158.2	308.1	10,466.3
- Other financial liabilities		194.0	-	194.0
Provisions	7	287.9	955.2	1,243.1
Employee Benefit Obligations		1,029.3	(0.1)	1,029.2
Deferred tax liabilities (net)	9	325.0	2,147.4	2,472.4
Other non-current liabilities		30,756.4	-	30,756.4
<b>Total non-current liabilities</b>		<b>42,750.8</b>	<b>3,410.6</b>	<b>46,161.4</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		27,796.4	-	27,796.4
- Trade payables	12	32,778.5	(12.7)	32,765.8
- Other financial liabilities	6	5,886.6	463.7	6,350.3
Provisions	7, 13	1,854.8	(1,122.3)	732.5
Employee Benefit Payable		13,851.8	-	13,851.8
Current Tax Liabilities		559.2	-	559.2
Other current liabilities	6, 12	31,797.4	121.7	31,919.1
<b>Total current liabilities</b>		<b>114,524.7</b>	<b>(549.5)</b>	<b>113,975.2</b>
<b>TOTAL LIABILITIES</b>		<b>157,275.5</b>	<b>2,861.1</b>	<b>160,136.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>311,644.2</b>	<b>(12,151.4)</b>	<b>299,492.8</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

## Reconciliation of Equity as at 31 March, 2016

Particulars	Notes to first time adoption	Restated Previous GAAP*	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	17	65,209.5	833.2	66,042.7
Goodwill	3, 14	80,634.3	27,153.6	107,787.9
Capital work-in-progress	17	6,753.2	(2,139.2)	4,614.0
Other intangible assets	3, 14	11,011.5	5,464.1	16,475.6
Intangible assets under development		649.3	-	649.3
Financial assets				
- Investments		377.3	-	377.3
- Trade Receivable		3,742.3	-	3,742.3
- Other financial assets	4	11,991.1	(1,441.8)	10,549.3
Deferred tax Assets	9	4,082.8	1,083.0	5,165.8
Non Current Tax Assets		12,223.1	0.0	12,223.1
Other non-current assets	4	1,008.2	835.7	1,843.9
<b>Total non-current assets</b>		<b>197,682.6</b>	<b>31,788.7</b>	<b>229,471.3</b>
<b>Current assets</b>				
Inventories		367.7	0.0	367.7
Financial assets				-
- Investments	8	12,967.9	9.8	12,977.7
- Trade receivables	6	85,062.1	(2,292.4)	82,769.7
- Cash and cash equivalents		97,215.6	-	97,215.6

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes to first time adoption	Restated Previous GAAP*	Ind AS adjustments	Ind AS
- Bank balances other than cash and cash equivalents		1,176.3	-	1,176.3
- Loans		821.4	-	821.4
- Other financial assets	4	36,384.5	720.2	37,104.7
Other current assets	4	32,854.8	173.1	33,027.9
Asset Classified as held for sale	17	14.0	97.4	111.4
<b>Total current assets</b>		266,864.3	(1,291.8)	265,572.5
<b>TOTAL ASSETS</b>		<b>464,546.9</b>	<b>30,496.9</b>	<b>495,043.8</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	15	16,158.8	(12,500.0)	3,658.8
Other equity				
Share application money pending allotment		59.8	-	59.8
Reserve and surplus	20	102,771.2	18,275.7	121,046.9
Non-Controlling Interest	9,20	11,963.5	(1,675.1)	10,288.4
<b>Total Equity</b>		<b>130,953.4</b>	<b>4,100.6</b>	<b>135,054.0</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
- Borrowings	6, 15	44,811.7	12,053.7	56,865.4
- Other financial liabilities	17	3,724.3	412.7	4,137.0
Provisions	7	1,471.7	66.9	1,538.6
Employee Benefit Obligations		1,711.1	-	1,711.1
Deferred tax liabilities (net)	9	61.9	10,844.7	10,906.6
Other non-current liabilities	12, 16, 20	27,988.3	195.7	28,184.0
<b>Total non-current liabilities</b>		<b>79,769.0</b>	<b>23,573.7</b>	<b>103,342.7</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		37,088.9	-	37,088.9
- Trade payables	8	107,318.3	(87.3)	107,231.0
- Other financial liabilities	14	18,235.9	3,765.4	22,001.3
Provisions	7, 13, 15	4,334.0	(1,209.5)	3,124.5
Employee Benefit Obligations		31,180.4	-	31,180.4
Current Tax Liabilities		602.3	-	602.3
Other current liabilities	6, 12, 14, 20	55,064.8	353.9	55,418.7
<b>Total current liabilities</b>		<b>253,824.6</b>	<b>2,822.5</b>	<b>256,647.2</b>
<b>TOTAL LIABILITIES</b>		<b>333,593.6</b>	<b>26,396.3</b>	<b>359,989.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>464,546.9</b>	<b>30,496.9</b>	<b>495,043.8</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Reconciliation of total consolidated comprehensive income/(loss) for the year ended 31 March 2016**

Particulars	Notes to first time adoption	Restated Previous GAAP*	Ind AS adjustments	Ind AS
<b>Income</b>				
Revenue from operations	<b>5, 8, 16, 19</b>	422,778.1	186,614.4	609,392.5
Other income	<b>4, 6, 8, 16</b>	4,144.8	1,547.9	5,692.7
Other gains/(losses) (net)	<b>8</b>	544.6	72.3	616.9
<b>Total income</b>		<b>427,467.5</b>	<b>188,234.6</b>	<b>615,702.1</b>
<b>Expenses</b>				
Cost of Sales and Services	<b>19</b>	-	187,997.0	187,997.0
Employee benefits expense	<b>10, 11</b>	340,146.9	(2,337.8)	337,809.1
Finance Cost	<b>6, 8, 15</b>	8,762.0	452.2	9,214.1
Advertisement and Sales promotion expenses	<b>21</b>	7,418.9	461.1	7,880.0
Depreciation and amortisation expense	<b>2, 3</b>	6,432.0	(372.9)	6,059.0
Other expenses	<b>2, 6, 7, 12</b>	51,886.8	5,378.3	57,265.1
<b>Total expenses</b>		<b>414,646.6</b>	<b>191,577.9</b>	<b>606,224.5</b>
<b>Profit/(Loss) before exceptional item</b>		<b>12,820.9</b>	<b>(3,343.3)</b>	<b>9,477.6</b>
Less Exceptional items & Prior period Items	<b>2</b>	9,969.5	(584.6)	9,384.9
<b>Profit/(Loss) before tax</b>		<b>2,851.4</b>	<b>(2,758.7)</b>	<b>92.7</b>
Less : Tax expense/(credit)				
Current tax	<b>15</b>	<b>6,700.3</b>	<b>63.9</b>	6,764.2
Deferred tax	<b>9</b>	<b>(2,189.2)</b>	<b>1,369.8</b>	(819.4)
<b>Total tax expenses</b>		<b>4,511.1</b>	<b>1,433.7</b>	<b>5,944.8</b>
<b>Profit / (Loss) for the period (A)</b>		<b>(1,659.8)</b>	<b>(4,192.4)</b>	<b>(5,852.1)</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit or loss</i>				
Exchange Differences on translation of Foreign Operations		-	388.7	388.7
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of post-employment benefit obligations	<b>10</b>	-	690.4	690.4
Income tax relating to items that will not be reclassified to profit or loss	<b>9, 10</b>	-	(228.9)	(228.9)
<b>Total other comprehensive income (expenses) for the period, net of taxes (B)</b>		<b>-</b>	<b>850.2</b>	<b>850.2</b>
<b>Total comprehensive income / (expenses) for the year (A+B)</b>		<b>(1,659.8)</b>	<b>(3,342.2)</b>	<b>(5,001.9)</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

**Reconciliation of total consolidated equity as at 31 March 2016 and 1 April 2015**

	Notes to first time adoption	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per Previous GAAP		130,953.5	154,368.7
<b>Adjustments:</b>			
(Impairment)/ Reversal of amortisation of goodwill/Intangibles	3	299.7	(145.7)
Revenue recognition based on performance obligation	5, 12	(97.8)	25.9
Adjustment of rent equalisation reserves	7	(872.6)	(1,482.5)
Fair valuation of security deposits	4	157.0	(35.9)
Amortisation of debt issue expenses	6	74.2	38.9
Reversal of provision for Dividend	13	1,651.4	1,649.0
Sterling merger Adjustment pursuant to court approved scheme of arrangement and amalgamation and other adjustments	2	23,954.6	(11,547.3)
Expected credit loss allowance	6	(2,292.3)	(1,682.0)
Fair valuation of derivatives and investments	8	62.7	107.3
Amortisation of Prepaid rent for security deposits	4	(343.2)	(156.8)
Financing component included in revenue derecognised	16	(86.0)	(17.6)
Charge of Stamp Duty	17	(2,139.2)	-
Recognition of preference share capital as a financial liability	15	(12,510.0)	-
Recognition of land not earlier recognised in books	17	-	110.1
MTM gains recorded	8	376.2	-
Adjustment relating to restatement of trade receivables and borrowings (securitisation)	6	-	(129.2)
Franchise income straight-lined over the period	5	(27.2)	-
Reinstatement of business combination	18	(290.6)	-
Deferred Tax on undistributed earnings	9	(3,145.7)	(2,434.5)
Deferred Tax liability on recognition of Brands	14	(1,942.2)	-
Other Adjustments		105.5	(422.2)
Tax effects of adjustments	9	1,165.9	1,109.9
<b>Total adjustments</b>		<b>4,100.5</b>	<b>(15,012.5)</b>
<b>Total equity as per Ind AS</b>		<b>135,054.0</b>	<b>139,356.2</b>

**Reconciliation of total consolidated comprehensive income/(loss) for the year ended 31 March 2016**

	Notes to first time adoption	31 March 2016
Loss after tax as per previous GAAP		(1,659.8)
<b>Adjustments:</b>		
Reversal of amortisation on goodwill and other intangible assets	2,3	344.7
Reversal of rent equalisation reserves	7	525.0
Employee Stock options expense recognised based on fair value method	11	(712.7)
Impact of merger and other adjustments	2	(126.5)
Interest Income on Securitised debtors recognised	6	85.5
Interest income recognised for holiday plus	16	24.1
Loan processing fees charged	6	50.0
Prior period expense adjusted in opening reserves	2	584.6
Fair valuation of derivatives	8	307.3
Franchise income straight-lined over the period	5	21.2
Employee benefit expenses [actuarial valuation gain / (losses)]	10	(690.4)
Net Loss on financial asset at fair value through profit/ (Loss)	8	(107.1)
Expected credit loss allowance debited	6	(540.2)

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

	Notes to first time adoption	31 March 2016
Unwinding of Interest on security deposit	4	13.8
Finance cost on non convertible redeemable preference shares classified as debt	15	(354.2)
Revenue recognition based on performance obligation	5	(25.9)
Amortisation of debt issue expenses	6	(23.9)
Finance expense on securitised borrowing	6	(92.6)
Financing component included in revenue derecognised	16	(110.1)
Net impact of deferment of revenue related to offers	12	(80.2)
Charge of Stamp Duty	17	(2,139.2)
Annual lease rent on leasehold land		(15.3)
Adjustment relating to restatement of trade receivables and borrowings (securitisation)	6	136.3
Amortisation of Brand Value	14	(2.5)
Deferred Tax on Undistributed Profits	9	(1,539.9)
Income tax impact of Ind AS adjustments[gain/(losses)]	9, 15	275.7
<b>Total adjustments</b>		<b>(4,192.4)</b>
<b>Profit / (Loss) after tax as per Ind AS</b>		<b>(5,852.2)</b>
<b>Other comprehensive income</b>		<b>850.3</b>
<b>Total comprehensive Profit / (Loss) as per Ind AS</b>		<b>(5,001.9)</b>

## Notes to the Reconciliations

### Note 1 : Property, Plant and Equipment (PPE)

Under the previous GAAP, pursuant to the composite scheme of arrangement and amalgamation (Scheme) under which there was (i) a demerger of the resort and timeshare business from Sterling Holiday Resorts (India) Limited to TCISIL (renamed as Sterling Holiday Resorts Limited), and (ii) amalgamation of residual Sterling Holiday Resorts (India) Limited into the Company, the revaluation reserve created on PPE was reversed against the carrying value of PPE during the financial year 2015-16 amounting to Rs 1,959.2 under previous GAAP.

Under Ind AS, the scheme has been accounted from the appointed date i.e April 1, 2014. The impact of the transaction was recorded in opening Balance sheet as at April 1, 2015.

Also there was an adjustment on account of revision of useful life as a part of implementation of Sch II of the Companies Act, 2013.

### Note 2 : Merger related adjustments

The Board of Directors of the Company, Thomas Cook Insurance Services (India) Limited ("TCISIL") (renamed as Sterling Holiday Resorts Limited) & Sterling Holiday Resorts (India) Limited ("Sterling") had at their meetings held on February 7, 2014 approved a composite scheme of arrangement and amalgamation (Scheme) pursuant to which there was: (i) a demerger of the resort and timeshare business from Sterling to TCISIL, and (ii) amalgamation of residual Sterling into the Company.

Pursuant to the scheme, (i) 116 equity shares of paid up value Re. 1 each of the Company were to be issued to the shareholders of Sterling for every 100 equity shares held in Sterling of paid up value of Rs. 10 in consideration of the demerger of the resort and timeshare business of Sterling from Sterling to TCISIL; and (ii) 4 equity shares of the Company of paid up value of Re. 1 each were to be issued to the shareholders of Sterling for every 100 equity shares held in Sterling of paid up value of Rs. 10 in consideration of the amalgamation of residual Sterling into the Company.

The Hon'ble High Court of Madras sanctioned the Scheme of Sterling on April 13, 2015, while the Hon'ble High Court of Bombay sanctioned the Scheme of the Company and TCISIL on July 2, 2015. The High Court Order was filed with the Registrar of Companies, Mumbai on August 18, 2015 and thus, the scheme is effective from April 1, 2014 (Appointed date).

After obtaining statutory approvals, the Company completed the process of allotment of 48,657,929 equity shares of Re. 1 each to the shareholders of Sterling in pursuance of the Scheme on September 3, 2015 as per the above swap ratio.

Subsequent to Sterling's demerger into TCISIL as per court approved scheme, TCISIL's name has been changed to Sterling Holidays Resorts Limited ("SHRL") with effect from September 1, 2015.

In terms of Scheme, all the assets and liabilities of residual Sterling are transferred to and vested in the Company and recorded at their respective fair values as determined by Board of Directors of the Company.

The difference, between the fair value of net assets of residual Sterling transferred to the Company and recorded by the Company pursuant to the order of the jurisdictional High Court(s) over the face value of equity shares allotted by the Company has been debited to Goodwill Account.

Under previous GAAP, the Goodwill recognised was Rs 34,614 lacs upon consolidation of Sterling. Pursuant to the scheme becoming effective, Goodwill of Rs. 24,718 Lacs has been recorded after giving effect to the scheme. Provision for Tax in TCISIL's books was reversed on account of merger as at merged entity level there were accumulated losses and there were no liability for Income tax.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

An amount Rs. 584.6 representing expenses incurred in relation to the Composite Scheme of Arrangement and Amalgamation as well as legal expenses incurred towards inspection and verification of title of properties owned by erstwhile Sterling Holiday Resorts (India) Limited was erroneously considered as investment. This was originally shown as prior period items in the FY 2015-16 under previous GAAP. This amount has been adjusted to the opening retained earnings as on April 01, 2015.

## Note 3 : Intangibles/ Goodwill amortisation

The Group has availed the exemption under Ind AS 101 and accordingly business combination prior to 1 April 2015 has not been restated and Intangibles is carried forward at its carrying value. The Company has carried the impairment testing of Intangibles as at 1 April 2015 and as the recoverable amount was less than the carrying value for Intangible of one specific cash generating unit, this Intangible was impaired leading to decrease in equity. Accordingly, the Intangibles was impaired on 1 April 2015 and the related amortisation on such Intangibles as per previous GAAP was reversed leading to an increase in profit.

## Note 4: Security Deposits

Under the previous GAAP, interest free lease deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

## Note 5: Recognition of Upfront fees

Under the previous GAAP, "Signing bonus" on contracts with Amadeus were recorded on a straight line basis over the contract period. Under Ind AS, it is now being recorded based on performance. Consequently, the profit for the year ended 31 March 2016 has decreased by Rs 25.9 and Equity as on 1 April 2015 increased by Rs 25.9.

Under the previous GAAP, franchisee income was recognised upfront based on revenue recognition criteria. As per Ind AS, the income from Franchise is now recognised over the contractual life of the franchise agreement. The impact of the revenue being deferred is recognised over the period of the contract.

## Note 6 : Securitisation of Trade Receivables, Expected Credit Loss model Impact & Debt Issue Expenses

Sterling Holiday Resorts Limited ("Sterling") had entered into a factoring arrangement and had transferred the receivables to the factor (bank/ financial institution) in exchange for cash; however the transfer of the receivables is with full recourse since the credit risk and delay risk are assumed by Sterling. Consequently the accounts receivable and borrowings are not derecognised by Sterling in its financial statements.

Accordingly, accounts receivable amounting to Rs. Nil (April 01, 2015: Rs. 712.74), interest on trade receivables amounting to Rs. Nil (April 01, 2015: Rs. 67.64) and borrowings amounting to Rs. Nil (April 01, 2015: Rs. 949.26) net of reversal of interest accrued on borrowings amounting to Rs. Nil (April 01, 2015: Rs. 130.95) and advance from customers amounting to Nil (April 01, 2015: Rs. 91.25) has been recognised in the financial statements with an adjustment to opening retained earnings.

Sterling had appropriately recognised the factored receivables under Previous GAAP as at March 31, 2016 and this has been correctly adjusted to the transition date balance. Consequently interest income on trade receivables of Rs. 85.49, finance cost on borrowing of Rs. 92.60 with a corresponding credit to miscellaneous income of Rs. 136.30 has been recognised in the Statement of Profit and Loss for the year ended March 31, 2016.

Under previous GAAP, Quess has created provision for impairment of receivables only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL) under which Quess impaired its trade receivable by Rs 1,682 on 1 April 2015 which has been eliminated against retained earnings. The impact of Rs 540.24 for year ended on 31 March 2016 has been recognized in the statement of profit and loss.

Under the previous GAAP, Debt issue expenses were netted off against securities premium. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Hence total equity as at 31 March 2016 increased by Rs 129.8 (as on 1 April 2015 by Rs 38.9) with corresponding decrease in debenture liability as at 31 March 2016 by Rs 40.8 (as on 1 April 2015 of Rs 38.9). The amortisation of debt issue expense for the year ended 31 March 2016 is Rs 23.86.

## Note 7 : Lease rent Straight lining

Ind AS 19 mandates straight lining of lease rental payments, if the escalation rate is not in line with the general inflation rate. Under the previous GAAP, there was an option not to straight line which was availed by the company. Consequently, rent equalisation reserve has been created as on 1 April 2015 with corresponding decrease in total equity of Rs 1,482.5. Rent equalisation reserve is subsequently reversed as at 31 March 2016 by Rs 525.0 with corresponding decrease in rent expense by Rs 525.0, resulting in decrease of total equity by Rs 525.0.

## Note 8 : Fair valuation of investments and Derivatives

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, all the financial assets/ liabilities are required to be measured at fair value on initial recognition. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2016.

Under the previous GAAP, premium or discount on forward contracts were to be amortised over the period of the contract and the outstanding forward contracts were restated at the prevailing rate at each reporting date. Under Ind AS 109, derivatives are to be revalued at Fair value at each reporting date with corresponding impact recorded in Statement of Profit and Loss.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

## Note 9: Deferred Tax

Under Previous GAAP, tax expense in the consolidated financial statements was computed by performing line by line addition of tax expense of the parent and its subsidiaries. No adjustments to tax expense was made on consolidation. Under Ind AS deferred tax has been recognised on the adjustments made on transition to Ind AS.

Deferred tax liability has been created as per Ind AS on undistributed earnings of certain subsidiaries where there is past precedence/ probability of reversal of temporary difference in future on account of distribution of profits to the Company.

## Note 10: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by Rs 690.4. There is no impact on the total equity as at March 31, 2016.

## Note 11: Share based payments:

Under the previous GAAP, the cost of equity-settled employee share-based plan was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled share-based plan is recognised based on fair value of options as on the grant date.

## Note 12: Deferment of Revenue

One of the offers provided by the Sterling (bonus nights) entitles the members additional nights of stay at the resorts which can be utilised within a limited period. Under previous GAAP, the cost of rendering such services were recognised as expenses in the year in which the offers were extended. Subsequent to application of Ind AS, the revenue attributable to the bonus nights is determined and deferred till the year when the offers are utilised /expire. Consequently, an amount of Rs. 169.12 (April 01, 2015: 30.45 ) has been deferred and the provision carried in books against the services to be rendered to the customers amounting to Rs. 71.36 (April 01, 2015: Rs.12.85 ) has been derecognised with a charge to the Statement of Profit and loss /opening retained earnings resulting in a net charge recognised in the Statement of Profit and Loss for the year ending March 31, 2016.

## Note 13 : Provision for Dividend on equity shares and Dividend distribution tax

As per Ind AS, provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity.

Hence the proposed dividend provided under Previous GAAP has been reversed due to pendency of shareholders approval.

## Note 14: Recognition of Brand and contingent liabilities on Business Combination

On acquisition of certain businesses during the year, Group has identified separate intangibles based on fair valuation of the business as per IND AS 103 and hence recognised Brand as Intangible Asset (with corresponding credit to the goodwill) and certain liabilities based on the present obligation with a corresponding credit to Goodwill on acquisition.

## Note 15: Dividend on Non Convertible Redeemable Preference Share Capital ("NCRPS")

Under the previous GAAP, NCRPS were considered as equity, hence dividend and dividend distribution tax on NCRPS was accounted as appropriation from Surplus of Profit and Loss. Under Ind AS, NCRPS is considered as liability, dividend is considered as finance cost and dividend distribution tax is considered as current tax expense. Accordingly, total equity as at 31 March 2016 has reduced by Rs 12,500, being the NCRPS amount. There is no impact on total equity as at 31 March 2016 in relation to dividend and dividend distribution tax, however profit after tax has decreased by Rs 426.3 for the year ended 31 March 2016.

## Note 16: Recognition of interest income

Sterling provides a type of membership (Holiday plus) in which installments falls due post completion of one year from the date of sale (admission of members) and interest is charged to the customer from that date. This transaction includes a financing element which would be comparable to the discount which is normally offered to customers paying upfront. This amount has been segregated and has been recognised as interest income during the interest free period provided to the customer. Consequently, an amount of Rs. 110.05 has been debited to revenue and recognised as deferred interest and an amount of Rs. 24.10 has been recognised as interest income during 2015-16.

## Note 17: Adjustment to carrying value of Property Plant and Equipment / Capital work in progress/ Sterling Business Combination :

Sterling had, based on legal advice made a provision of Nil (March 2016: Rs. 2,139.19 , March 2015: Nil), as provision for stamp duty for the registration of the property titles in the name of Sterling consequent to the conclusion of the composite scheme of arrangement and amalgamation with erstwhile Sterling Holiday Resorts (India) Limited and its subsidiaries. This amount was recognised as capital work in progress under the previous GAAP, however since this represents acquisition related costs / transaction costs under Ind AS 103, the same has been recognised as an expense and charged off as Rates and taxes in the year ended March 31, 2016.

Freehold land amounting to Rs. 110.08 which was earlier not recorded in the books of account of Sterling has been now recognised as land by giving effect to opening retained earnings as on April 01, 2015.

Sterling had decided to sell surplus land held by it measuring 3,645 sq mts together with building at Goa (Vagator Property) in April 2015. The sale was effected on July 27, 2016. The assets are carried at lower of cost or the fair value of the assets at the time of reclassification. Since the asset is carried at cost which is lower than the fair value, there is no resultant gain or loss recognised in the statement of profit or loss. The carrying value of assets amounting to Rs. 97.43 which was not classified as assets held for sale along with the value of land amounting to Rs. 10.92 which was classified as assets held for sale under the previous GAAP has now been correctly disclosed as assets held for sale.

# Notes forming part of the Consolidated Financial Statements as at and for the year ended 31 March 2017

(All amounts in INR Lakhs, unless otherwise stated)

Business combination of Sterling with Nature Trails Resorts Private Limited (NTRPL) has been accounted in line with Ind AS 103 - Business Combination. As part of the accounting for the business combination, the assets of NTRPL was recognised at fair value as on the date of acquisition resulting in a net increase in property, plant and equipment of Rs. 843.59. Further, preference share capital issued by NTRPL pursuant to share purchase agreement entered by Sterling with the erstwhile shareholders/ promoters of NTRPL amounting to Rs. 10 as on March 31, 2016 has been recognised fully as a financial liability and considered as contingent consideration (at its fair value of Rs. 461.88) for the purchase price allocation under Ind AS 103. Further intangible asset (brand) of NTRPL has been recognised as on the date of the acquisition at its fair value of Rs. 283.57. The amortisation of this intangible asset amounting to Rs. 2.49 is charged to the Statement of Profit and Loss for the year ended March 31, 2016 and accordingly adjusted in the total equity as on that date. On account of measurement of assets at fair value, recognition of brand and contingent consideration in accordance with Ind AS 103, the goodwill which was originally recognised under the previous GAAP has reduced by an amount of Rs. 473.48 and deferred tax liability of Rs. 201.80.

## Note 18: Reinstatement of business combination

Quess has reinstated business combinations for the year 2015-16 as required under Ind AS 103 post transition date. Accordingly, based on the Purchase Price Allocation for Aravon Services Private Limited, Quess has recognised goodwill of Rs 72.97 as opposed to capital reserve aggregating Rs 290.56 recognised under Previous GAAP.

## Note 19: Gross versus Net presentation of Revenue and Expense

Based on the evaluation of Gross versus Net presentation criteria, it was concluded that the Group is the primary obligor in certain revenue streams for the customers. Accordingly, the revenue and cost of sales have been presented on Gross basis in case of those streams.

## Note 20: Retained Earnings

Retained earnings as at 1 April 2015 and 31 March 2016 has been adjusted consequent to the above Ind AS transition adjustment.

## Note 46 : Share issue by subsidiary

- i) During the year ended 31 March 2017, Quess Corp Limited ("Quess") has completed the Initial Public Offering (IPO) and raised a total capital of Rs 40,000 by issuing 12,618,297 equity shares of Rs 10 each (in absolute terms) at a premium of Rs 307 per equity share. The equity shares of the Company got listed on NSE and BSE effective from 12 July 2016.
- ii) On December 22, 2015, Quess issued to its shareholders 2,560,000 Equity Shares of Rs. 10 each (in absolute terms) on rights basis at an issue price of Rs 10. Consequent to the Company's renunciation of its rights in the rights issue, as approved by the shareholders by an overwhelming majority at their meeting held on / postal ballot, the Company's shareholding in Quess had reduced to 69.55%. Further, Quess has on January 5, 2016 issued 8,50,01,292 Equity Shares of Rs.10 each as a bonus issue (In the ratio of 3:1) to the existing shareholders of Quess.

## Note 47 : Events occurring after the reporting period

- (i) Declaration of final dividend  
Refer to **Note 30(b)** for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.
- (ii) The Board of Directors of Company on 1st July 2016 had approved a Composite Scheme of Arrangement and Amalgamation ("Composite Scheme"), pursuant to which the "outbound business" of SOTC Travel Services Private Limited would be transferred to SOTC Travel Private Limited (formerly known as SITA Travels Private Limited) by way of slump exchange and thereafter, the residual SOTC Travel Services Private Limited (having the "inbound business") including its subsidiaries (i.e. Distant Frontiers Tours Private Limited, SITA Beach Resorts Private Limited, SITA Destination Management Private Limited, SITA Holidays (India) Private Limited, SITA Holidays Resorts Private Limited and SITA Incoming (India) Private Limited) would be amalgamated into Travel Corporation (India) Limited. In consideration of both the slump exchange and the amalgamation, it is proposed that preference shares would be issued.  
  
The Composite Scheme has been approved by National Company Law Tribunal, Mumbai Bench on 19th April 2017. However, upto the date of preparation of financial statements, the Company has not received the order of the National Company Law Tribunal, Mumbai Bench and accordingly, the Scheme is not yet effective. Hence, these financial statements have been prepared without considering the effect of the Scheme. The said Composite Scheme is within the Thomas Cook Group as all entities are direct or indirect subsidiaries of Thomas Cook (India) Limited.
- (iii) Travel Corporation (India) Limited and SOTC Travel Private Limited, wholly owned subsidiaries of the Company have announced signing of definitive agreements to acquire Kuoni's global network of Destination Management Specialists (DMS) of the Kuoni Group (located in 17 countries) from Kuoni Travel Investments Limited, Zurich, Switzerland and / or its affiliates. The said acquisition would be subject to such terms and conditions mutually agreeable between the parties and customary closing conditions.

As per our report of even date

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Sharmila A Karve**  
Partner  
Membership No. 043229

Mumbai, May 25, 2017

For and on behalf of the Board of Directors

**Madhavan Menon**  
Chairman and Managing Director  
DIN No : 00008542

**Amit Parekh**  
Company Secretary  
& Compliance Officer

Mumbai, May 25, 2017

**Debasis Nandy**  
Chief Financial Officer &  
President - Commercial

# Information Regarding Subsidiary Companies and for the year ended 31st March, 2017

## FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Sr. No.	Name of Subsidiary	Reporting Currency	Closing Exchange Rate	Date of Acquisition / Incorporation	Reporting Period	Issued & subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Total income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Holding	Country	Amount in Lakhs
1	Travel Corporation (India) Limited	INR	-	28 December 2006	31 March 2017	217	16,975	31,917	14,725	-	20,882	430	198	232	-	100.0%	India	
2	TC Tours Limited (Formerly known as Thomas Cook Tours Limited)	INR	-	26 December 1989	31 March 2017	300	722	18,940	17,918	-	5,486	814	228	586	-	100.0%	India	
3	Indian Horizon Marketing Services Limited	INR	-	26 December 1989	31 March 2017	5	(4)	23	21	-	0	(1)	-	(1)	-	100.0%	India	
4	TC Visa Services (India) Limited	INR	-	30 August 2011	31 March 2017	5	390	966	571	-	976	284	90	194	-	100.0%	India	
5	Jardin Travel Solutions Limited	INR	-	1 September 2015	31 March 2017	1	(5)	0	4	-	-	(1)	-	(1)	-	100.0%	India	
6	Bordeless Travel Services Limited	INR	-	25 August 2015	31 March 2017	1	(5)	-	4	-	-	(1)	-	(1)	-	100.0%	India	
7	Thomas Cook Lanka (Private) Limited	LKR	0.43	20 April 2012	31 March 2017	428	735	1,265	102	-	1,023	62	43	19	-	100.0%	Sri Lanka	
8	Thomas Cook (Mauritius) Holding Company Limited	USD	64.85	9 February 2000	31 March 2017	732	58	794	4	-	-	(11)	-	(11)	-	100.0%	Mauritius	
9	Thomas Cook (Mauritius) Operations Company Limited	MUR	1.83	10 March 2000	31 March 2017	1,478	757	2,424	189	925	1,167	138	20	118	-	100.0%	Mauritius	
10	Thomas Cook (Mauritius) Holidays Limited	MUR	1.83	14 June 2004	31 March 2017	326	(249)	314	237	-	244	51	-	51	-	100.0%	Mauritius	
11	Luxe Asia (Private) Limited	LKR	0.43	27 July 2015	31 March 2017	24	(371)	198	545	-	373	(64)	-	(64)	-	100.0%	Sri Lanka	
12	Travel Circle International Ltd. (formerly known as Luxe Asia Travel China Limited)	HKD	8.35	10 September 2015	31 March 2017	5,014	117	32,105	26,974	-	46,605	713	265	448	-	100.0%	Hong Kong	
13	Horizon Travel Holdings (Singapore) Private Limited	SGD	46.41	19 August 2015	31 March 2017	-	-	-	-	-	-	-	-	-	-	100.0%	Singapore	
14	Sterling Holiday Resorts Limited (Formerly known as Thomas Cook Insurance Services (India) Limited)	INR	-	18 August 2015	31 March 2017	2,905	16,683	68,740	49,152	9,089	24,054	(3,794)	-	(3,794)	-	100.0%	India	
15	Sterling Holidays (Ooty) Limited	INR	-	18 August 2015	31 March 2017	5	(556)	88	639	-	1,149	16	-	16	-	98.0%	India	
16	Sterling Holidays Resorts (Kodaikanal) Limited	INR	-	18 August 2015	31 March 2017	5	(725)	77	797	-	873	(106)	-	(106)	-	98.0%	India	
17	Nature Trails Resorts Private Limited	INR	-	15 March 2016	31 March 2017	148	1,384	3,497	1,965	2	819	(350)	(5)	(345)	-	100.0%	India	
18	Quest Corp Limited	INR	-	14 May 2013	31 March 2017	12,679	66,564	168,083	88,840	36,503	337,688	13,836	4,815	9,021	-	62.17%	India	
19	Coachieve Solutions Private Limited	INR	-	14 May 2013	31 March 2017	311	(746)	246	682	-	221	(34)	-	(34)	-	62.17%	India	
20	MFX Infotech Private Limited	INR	-	20 August 2014	31 March 2017	100	418	2,833	2,315	-	134	517	159	358	-	62.17%	India	
21	Aracon Services Private Limited (Formerly known as "ARMAARK India Private Limited")	INR	-	01 April 2015	31 March 2017	3,941	(2,830)	2,701	1,590	-	6,600	488	(205)	694	-	62.17%	India	
22	Brain Hunter Systems Limited	CAD	48.59	23 October 2014	31 March 2017	2,457	6,909	3,617	5,068	1,281	14,617	(1,201)	-	(1,201)	-	62.17%	Canada	
23	Mindwire Systems Limited, Ottawa	CAD	48.59	23 October 2014	31 March 2017	1,281	(1,441)	3,033	3,194	-	19,113	1,218	-	1,218	-	62.17%	Canada	
24	Brain Hunter Companies LLC	CAD	48.59	23 October 2014	31 March 2017	-	(1,010)	324	1,334	-	1,123	(297)	-	(297)	-	62.17%	Canada	
25	Questcorp Inc, USA (formerly known as Magna Infotech Inc., USA)	USD	64.85	19 November 2013	31 March 2017	63	(83)	4,611	4,632	3,279	-	(119)	-	(119)	-	62.17%	USA	



# Information Regarding Subsidiary Companies and for the year ended 31st March, 2017

## FORM AOC - 1 (Contd.)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Sr. No.	Name of Subsidiary	Reporting Currency	Closing Exchange Rate	Date of Acquisition / Incorporation	Reporting Period	Issued & subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Total income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Holding	Country	Amount in Lakhs
26	Quest (Philippines) Corp (formerly known as Magna Ilya Infotech Inc, Philippines)	PHP	1.29	14 May 2013	31 March 2017	123	164	731	444	-	1,204	141	43	98	-	62.17%	Philippines	
27	Questcorp Holdings PTE LTD, Singapore	SGD	46.41	16 June 2015	31 March 2017	5,900	425	29,341	23,017	25,772	-	(96)	-	(96)	-	62.17%	Singapore	
28	Questglobal (Malaysia) SDN.BHD (formerly known as Brainhunter SDN. BHD., Malaysia)	MYR	14.65	12 August 2015	31 March 2017	83	145	892	663	-	1,954	166	-	166	-	62.17%	Malaysia	
29	MFExchange Holdings Inc, Canada	USD	64.85	01 January 2016	31 March 2017	24,662	(15,203)	9,274	(185)	165	794	(98)	-	(98)	-	62.17%	Canada	
30	MFExchange (Ireland) Limited	USD	64.85	01 January 2016	31 March 2017	-	-	-	-	-	-	-	-	-	-	62.17%	Ireland	
31	MFExchange Inc, USA	USD	64.85	01 January 2016	31 March 2017	-	(14,279)	7,198	21,477	-	24,278	615	21	593	-	62.17%	USA	
32	Dependo Logistics Solutions Private Limited	INR	-	25 October 2016	31 March 2017	1	(1)	34	34	-	-	(1)	-	(1)	-	62.17%	India	
33	CenterQ Business Solutions Private Limited	INR	-	25 January 2017	31 March 2017	1	0	2	1	-	1	0	0	0	-	62.17%	India	
34	Excelus Learning Solutions Private Limited	INR	-	09 January 2017	31 March 2017	1	(17)	204	219	-	-	(31)	2	(33)	-	62.17%	India	
35	Inficore VP Advanced Solutions Private Limited	INR	-	01 December 2016	31 March 2017	4	341	619	274	-	234	(4)	2	(6)	-	46.0%	India	
36	Comtel Solutions Pte Ltd	SGD	46.41	14 February 2017	31 March 2017	236	7,122	11,827	4,469	-	5,793	532	51	481	-	39.8%	Singapore	
37	Quest Corp Lanka Private Limited	LKR	0.43	26 April 2016	31 March 2017	55	493	2,337	1,788	-	3,406	351	56	295	-	62.17%	Sri Lanka	
38	SOTC Travel Services Pvt Ltd. (formerly known as Kuoni Travel (India) Pvt Ltd)	INR	-	16 December 2015	31 March 2017	971	24,090	95,934	70,873	17,878	167,981	4816	1,699	3,116	-	100.00%	India	
39	Distant Frontiers Tours Private Limited	INR	-	16 December 2015	31 March 2017	30	1,684	8,746	7,031	1,500	8,897	992	356	636	-	100.00%	India	
40	SITA Beach Resorts Private Limited	INR	-	16 December 2015	31 March 2017	1	(1)	1	0	-	0	(0)	-	(0)	-	100.00%	India	
41	SITA Destination Management Private Limited	INR	-	16 December 2015	31 March 2017	1	(1)	1	0	-	0	(0)	-	(0)	-	100.00%	India	
42	SITA Holidays (India) Private Limited	INR	-	16 December 2015	31 March 2017	5	1	6	0	-	0	(0)	-	(0)	-	100.00%	India	
43	SITA Holidays Resorts Private Limited	INR	-	16 December 2015	31 March 2017	1	(1)	1	0	0	0	(0)	-	(0)	-	100.00%	India	
44	SITA Incoming (India) Private Limited	INR	-	16 December 2015	31 March 2017	5	1	6	0	-	0	(0)	-	(0)	-	100.00%	India	
45	SOTC Travel Management Private Limited (formerly known as SITA Travels and Tours Private Limited)	INR	-	16 December 2015	31 March 2017	1	(1)	1	0	-	0	(0)	-	(0)	-	100.00%	India	
46	SITA World Travel (Nepal) Pvt Ltd	NPR	0.62	16 December 2015	31 March 2017	14	1,326	2,487	1,147	-	1,837	111	31	80	-	63.32%	Nepal	
47	SITA World Travel Lanka (Pvt) Ltd	LKR	0.43	16 December 2015	31 March 2017	-	-	-	-	-	-	-	-	-	-	100.00%	Sri Lanka	
48	SOTC Travel Private Limited (formerly known as SITA Travels Private Limited)	INR	-	16 December 2015	31.03.2017	1	(1)	10	10	-	0	(1)	-	(1)	-	100.00%	India	

# Information Regarding Subsidiary Companies

and for the year ended 31st March, 2017

FORM AOC - 1(Contd.)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part B: Associate/ joint venture										Amount in Lakhs	
Sl. No.	Name of the associate/ joint venture	Latest audited Balance Sheet Date	Date on which the Associate or joint Venture was associated or acquired	Shares of Associate or joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Networth attributable to shareholding as per latest audited Balance Sheet	Profit or Loss for the year	
				Number	Amount of Investment in Associates or joint Venture	Extent of Holding (in percentage)				Considered in Consolidation	Not Considered in Consolidation
1	Terrier Security Services (India) Private Limited	31 March 2017	9 december 2016	245,000	7,200.00	30.5	More than 20% holding	No control	1,229.68	25.89	26.95
2	Simpliance Technologies Private Limited	31 March 2017	2 January 2017	4,068	113.00	16.8	More than 20% holding	No control	13.54	(7.43)	(20.10)
3	Himmer Industrial Services (M) SDN BHD	31 March 2017	28 March 2017	49,000	7.43	30.5	More than 20% holding	No control	1.39	(5.99)	(6.24)

\* Proposed Dividend includes dividend paid and Dividend Distribution Tax

For and on behalf of the Board of Directors

**Madhavan Menon**  
Chairman and Managing Director  
DIN No : 00008542

**Debasis Nandy**  
Chief Financial Officer &  
President - Commercial

**Amit Parekh**  
Company Secretary  
& Compliance Officer

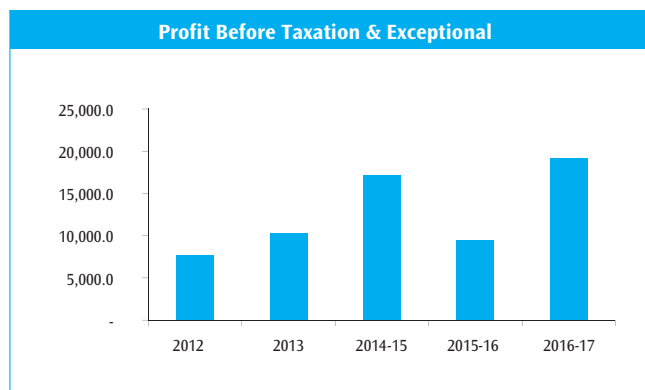
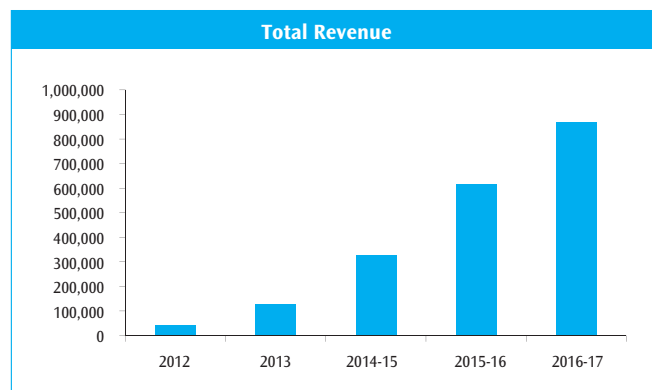
Mumbai, May 25, 2017

## Consolidated Five Years' Financial Performance

(Rupees in Lakhs)

	2016-17 <sup>\$</sup>	2015-16 <sup>\$</sup>	2014-15 <sup>\$</sup>	2013 <sup>\$</sup>	2012 <sup>\$</sup>
Total Revenue	868,230.9	615,702.1	328,632.1	129,595.4	43,596.7
Total Expenditure	849,093.6	606,224.5	311,533.4	119,369.5	35,888.3
Profit Before Taxation, Prior period & Exceptional Item	19,149.8	9,477.6	17,098.8	10,226.0	7,708.4
Prio period & Exceptional Item	-	(9,384.9)	-	-	-
Profit Before Taxation	<u>19,149.8</u>	<u>92.7</u>	<u>17,098.8</u>	<u>10,226.0</u>	<u>7,708.4</u>
Profit After Taxation and Minority Interest	3,818.1	(7,789.0)	9015.1	6222.0	5043.6
Proposed Dividend	1374.3	1372.1	1363.7	928.8	799.3
Earning per Share - Basic	2.1	(1.6)	3.56	2.64	2.37
(Rs. Per Equity Share of Re. 1 each)					

\$ Results for the FY 2016-17 and FY 2015-16 are as per IND AS, Whereas others are as per IGAAP



## THOMAS COOK INDIA GROUP - OFFICES

**Luxe Asia (Private) Limited**

No. 272, Vauxhall Street,  
Colombo 02, Sri Lanka  
Managing Director: Mr. Chaminda Dias

**Quess Corp Limited**

3/3/2, Bellandur Gate,  
Sarjapur Main Road, Bangalore - 560103, Karnataka  
Managing Director: Mr. Ajit Isaac

**SOTC Travel Services Private Limited**

(Formerly known as Kuoni Travel (India) Private Limited)  
324, Dr. D. N. Road,  
Fort, Mumbai - 400001  
Managing Director: Mr. Vishal Suri

**Sterling Holiday Resorts Limited**

(Formerly known as Thomas Cook Insurance Services (India) Limited)  
Citi Tower, No. 7, 3rd Cross Street,  
Kasturba Nagar, Adyar, Chennai,  
Tamil Nadu - 600020  
Managing Director: Mr. Ramesh Ramanathan

**Thomas Cook (India) Limited**

Thomas Cook Building,  
Dr. D. N. Road, Fort,  
Mumbai - 400001  
Chairman & Managing Director: Mr. Madhavan Menon

**Thomas Cook (Mauritius) Operations Company Limited**

Ground Floor, Anglo Mauritius House,  
4 Intendance Street, Port Louis, Mauritius  
Chief Operating Officer: Mr. Mohinder Dyal

**Travel Circle International Limited**

(Formerly known as Luxe Asia Travel (China) Limited)  
30/F, AXA Tower, Landmark East,  
100 How Ming Street, Kwun Tong,  
Kowloon, Hong Kong  
Managing Director: Ms. Maria Ng

**Travel Corporation (India) Limited**

324, Dr. D. N. Road,  
Fort, Mumbai - 400001  
Managing Director: Mr. Dipak Deva

## NOTES

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## NOTES

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**CIN: L63040MH1978PLC020717**

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