





## NOTICE

**NOTICE** is hereby given that the Thirty-Second ANNUAL GENERAL MEETING of THOMAS COOK (INDIA) LIMITED will be held at Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021 on Thursday, 28th May 2009 at 3.30 p.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st December 2008, the Profit and Loss Account for the twelve months ended 31st December 2008, the Report of the Directors and the Auditors thereon.
2.
  - a) To confirm Dividend paid for Class 'A' Preference Shares.
  - b) To confirm Dividend paid for 1% Cumulative Non-Convertible Redeemable Preference Shares.
  - c) To declare Dividend for Class 'B' Preference Shares.
  - d) To declare Dividend for Class 'C' Preference Shares.
  - e) To declare Dividend for Equity Shares for the year ended 31st December 2008.
3. To appoint a Director in place of Mr. Dilip De, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vinayak K. Purohit, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Manny Fontenla-Novoa, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting of the Company and to authorise the Board to fix their remuneration.
7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. PricewaterhouseCoopers, Chartered Accountants, Colombo, Sri Lanka be and are hereby re-appointed as the Branch Auditors of the Sri Lanka Branch of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting to examine and audit the books of account of the Sri Lanka Branch of the Company for the financial year 01-01-2009 to 31-12-2009 at a remuneration to be fixed by the Board of Directors and the Branch Auditors mutually.”

**SPECIAL BUSINESS:**

8. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:**  
“**RESOLVED THAT**, Mr. Angus Porter, who was appointed by the Board of Directors as an Additional Director with effect from 29th July 2008 under Article 118 of the Articles of Association of the Company and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
9. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:**  
“**RESOLVED THAT**, Mr. Heinrich-Ludger Heuberg, who was appointed by the Board of Directors as an Additional Director with effect from 27th February 2009 under Article 118 of the Articles of Association of the Company and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
10. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:**  
“**RESOLVED THAT**, Mr. Rakshit Desai, who was appointed by the Board of Directors as an Additional Director with effect from 25th November 2008 under Article 118 of the Articles of Association of the Company and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**11. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:**

**RESOLVED THAT**, subject to the approval of the Central Government and subject to such other approvals of applicable authority(ies), if any, as may be required, and pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, ("the Act") approval of the Company be and is hereby accorded to the appointment of Mr. Rakshit Desai, as an Executive Director – Travel Services for a period of two years with effect from 25th November 2008 to 24th November 2010 upon and subject to the terms and conditions including remuneration as are set out in the Agreement dated 2nd February 2009 entered into between the Company and Mr. Rakshit Desai, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as, subject to the approval of the Central Government, not to exceed the limits specified in the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Mr. Rakshit Desai;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to accept such modification/s in the terms and conditions, which the Central Government may direct, if so required, and as is/are acceptable to the Company and Mr. Rakshit Desai;

**RESOLVED FURTHER THAT** in the event in any financial year, during the tenure of Mr. Desai's employment as Whole-time Director with the Company, the Company has no profits or its profits are inadequate as contemplated under the provisions of the Act, unless otherwise approved by the Central Government, the remuneration payable by the Company to Mr. Desai shall be subject to the applicable provisions of the Act or any other applicable law or enactment for the time being in force;

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution."

**12. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:**

**"RESOLVED THAT**, subject to the approval of applicable authority(ies), if any, as may be required, and pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, ("the Act"), read with Schedule XIII of the Act, approval of the Company be and is hereby accorded to the appointment of Mr. Madhavan Menon as Managing Director, for a period of three years with effect from 1st May 2009 to 30th April 2012 upon and subject to the terms and conditions including remuneration as set out in the draft agreement to be entered into between the Company and Mr. Madhavan Menon, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as, subject to the approval of the Central Government, not to exceed the limits specified the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Mr. Madhavan Menon;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to accept such modification/s in the terms and conditions, which the Central Government may direct, if so required, and as is/are acceptable to the Company and Mr. Madhavan Menon;

**RESOLVED FURTHER THAT** in the event in any financial year, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule XIII to the Act, unless otherwise approved by the Central Government, the remuneration shall be paid as per the monetary ceiling prescribed in Schedule XIII of the Act or any re-enactment thereof;

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution."

**13. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:**

**"RESOLVED THAT**, pursuant to the provisions of Section 309 and other applicable provisions of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company and subject to such other approvals of applicable authority(ies), if any, as may be required, consent of the Company be and is hereby accorded to the payment and distribution of sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349, and 350 of the Companies Act, 1956 by way of commission to and amongst the Directors of the Company (other than the Managing Director, Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be determined by the Board of Directors from time to time and such payments shall be made for the Accounting Year ending 2009 and subsequent four Accounting Years of the Company."

BY ORDER OF THE BOARD

**R. R. KENKARE**

President & Head – Legal & Company Secretary

**Registered Office:**

Thomas Cook Building,

Dr. D. N. Road, Fort, Mumbai 400 001

Dated: 27th February 2009

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy form, in order to be valid, should be lodged with the Company at its registered office at least 48 hours before the scheduled time of the meeting.
2. The Register of Members and the Share Transfer Register of the Company will remain closed from Tuesday, 26th May 2009 to Thursday, 28th May 2009 (both days inclusive).
3. The Dividend when declared, will be payable to those shareholders of the Company, holding shares in physical form, whose names appear on the Register of Members on Thursday, 28th May 2009 and to those shareholders of the Company, holding shares in electronic form, whose names appear on the Benpos (Beneficiary Position) download of Monday, 25th May 2009.
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries in writing to the Company Secretary at least ten (10) days before the date of the Meeting, so that the information required may be made available at the meeting.
5. Members are requested to bring the attendance slips alongwith their copies of the Report and accounts to the meeting. As a measure of economy, copies of the annual report will not be distributed at the Annual General Meeting.
6. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agents to facilitate better service:
  - (i) any change in their address/ mandate/ bank details
  - (ii) particulars of their bank account in case the same have not been sent earlier, and,
  - (iii) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.
7. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on the Dividend Warrants as per the applicable regulations of the Depository. The Company will not act on any direct request from such members for change/deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants immediately.
8. Members may please note that pursuant to the provisions of Section 205(A)(5) of the Companies Act, 1956, dividend for the financial year 2002 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956, as and when the same falls due for such transfer. Members who have not encashed their dividend warrants for the financial year 2002 or thereafter are requested to write to the Company's Registrars and Transfer Agents.

All Unclaimed Dividend remaining unpaid/unclaimed for the financial year ended 31st December 2000 has been transferred and for the financial period 31st October 2001, will be transferred by April 2009 to the Investor Education and Protection Fund.

Members are requested to note that no claim shall lie against the Company or the said Fund in respect of any amounts which are unclaimed and unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.
9. Nomination facility for shares is available for members. The prescribed format is attached and can be obtained from the Company's Registrars and Share Transfer Agents, M/s. TSR DARASHAW LIMITED, 6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011.
10. Mr. Dilip De, Mr. Vinayak K. Purohit and Mr. Manny Fontenla-Novoa retire by rotation and are eligible for re-appointment at the Annual General Meeting.

Brief résumés of the Directors being appointed/re-appointed are included in the Corporate Governance Report forming a part of the Annual Report, except for Mr. Heinrich-Ludger Heuberg and Mr. Madhavan Menon, whose résumés are appended below.

### **Brief profile of Mr. Heinrich-Ludger Heuberg**

Mr. Heinrich-Ludger Heuberg, aged 50, is Chief Financial Officer (CFO) Continental Europe at Thomas Cook Group plc since July 2008. As CFO he is responsible for the Group's finance in Continental Europe. Mr. Heuberg is also Director of Finance and Personnel on the Management Board at Thomas Cook AG.

After completing his period of study and obtaining a degree in Business Management at Westfälische Wilhelms-University in Munster, Germany, Mr. Heuberg started his professional career in 1985 as a trainee at the micro-electronic centre of the Robert Bosch Group in Reutlingen, Germany. In 1986 he was appointed to the position of head of the commercial director's office at Bosch. A mere two years later, he became head of department with responsibility for reporting and divisional controlling. He was then put in charge of company controlling and reporting in 1989.

1991 saw Mr. Heuberg move to Werner & Pfleiderer GmbH in Stuttgart, a Krupp subsidiary, where he was appointed as commercial director of the plastics engineering division. Two years later, he moved on to Rheinmetall AG in Dusseldorf to set up and manage a corporate development and central controlling division at the Company.

Between 1996 and 1998, Mr. Heuberg worked as finance director at the quoted Mauser Waldeck AG, Chairman of the management board at Mauser Office GmbH in Korbach, Germany and executive manager at Rheinmetall AG. February 1998 saw him appointed as finance director at Kolbenschmidt Pierburg AG in Dusseldorf, a company quoted in the M-dax.

Mr. Heuberg moved to Lufthansa Cargo AG in March 2002, where he was made management board member in charge of the Company's personnel and finance activities.

With effect from 1st January 2004, he was appointed to the position of Director of Finance and Personnel on the Management Board at Thomas Cook AG in Oberursel, Germany. On 19th June 2007, Mr. Heuberg became Chief Financial Officer at Thomas Cook Group plc and was in charge of finance, controlling and portfolio management.

On 1st July 2008, Mr. Heuberg returned to Oberursel for private reasons to resume the position of CFO Continental Europe. Furthermore, he is member of the Group Executive Board.

He was appointed on the Board of Thomas Cook (India) Limited w.e.f. 27th February 2009.

Mr. Heinrich-Ludger Heuberg does not hold any shares in the Company. He also does not hold any Directorship or Committee Memberships of any other Company in India.

#### **Brief profile of Mr. Madhavan Menon**

Mr. Madhavan Menon, (B.A. (Business), Georgetown University, USA., MBA, Finance & International Business, George Washington University, USA), born on 12th February 1955, was appointed as an Additional and Executive Director - Foreign Exchange for 3 years with effect from 1st May 2000 to 30th April 2003, re-appointed for a further period of 3 years w.e.f. 1st May 2003 to 30th April 2006. He was appointed as the Managing Director of Thomas Cook (India) Limited (TCIL) with effect from 27th April 2006 and has been recently re-appointed by the Board for a further term of three years w.e.f. 1st May 2009.

He has a total experience of over 30 years. His previous assignment prior to joining TCIL was as Chief Operations & Administrative Officer of Birla Sunlife Asset Management Co. (AMC) Ltd. His expertise spans over Banking, Finance and Travel-related Foreign Exchange Management.

His responsibilities in TCIL include achievement of planned revenues through business development and growth.

Mr. Menon holds 2000 (two thousand) shares in the Company. As on 31st December 2008, he is a member of the Share Transfer & Shareholders'/ Investors' Grievance Committee and Sub-Committee of the Board of the Company. His Directorship and Committee Memberships of other Companies in India, as on 31st December 2008, are as follows:

Name of Body Corporate/ Firm	Position	Committee Memberships	
		Committee	Position
Travel Corporation (India) Limited	Director	Sub-Committee	Member
Thomas Cook Insurance Services (India) Limited	Director	None	N.A.
Thomas Cook Tours Limited	Director	None	N.A.
Indian Horizon Travel & Tours Limited	Director	None	N.A.
Cedar Management Consulting Private Limited	Director	None	N.A.

#### **EXPLANATORY STATEMENT**

As required under Section 173(2) of the Companies Act, 1956, the Explanatory Statement sets out all the material facts concerning the Special Business referred to in the accompanying Notice dated 27th February 2009.

##### **Item No. 8**

Dr. Angus Porter was appointed as an Additional Director on the Board of Directors at the Board Meeting held on 29th July 2008. As Additional Director he holds office upto the date of the ensuing Annual General Meeting of the Company. The Company has received notice in writing under Section 257 of the Companies Act, 1956, from certain member proposing his candidature for the office of a Director liable to retire by rotation.

The Directors recommend the passing of the Ordinary Resolution.

No Director other than Dr. Angus Porter may be considered to be concerned or interested in the above.

##### **Item No. 9**

Mr. Heinrich-Ludger Heuberg was appointed as an Additional Director on the Board of Directors at the Board Meeting held on 27th February 2009. As Additional Director he holds office upto the date of the ensuing Annual General Meeting of the Company. The Company has received notice in writing under Section 257 of the Companies Act, 1956, from certain member proposing his candidature for the office of a Director liable to retire by rotation.

The Directors recommend the passing of the Ordinary Resolution.

No Director other than Mr. Heinrich-Ludger Heuberg may be considered to be concerned or interested in the above.

##### **Item Nos. 10 & 11**

Mr. Rakshit Desai was appointed as an Additional Director on the Board of Directors by a Circular Resolution passed on 25th November 2008. As an Additional Director, Mr. Desai holds office upto the date of the ensuing Annual General Meeting of the Company. The Company has received notice in writing and deposit of Rs. 500/- under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director liable to retire by rotation. By the Circular Resolution, Mr. Desai was



also appointed as Executive Director – Travel Services of the Company for a period of two years with effect from 25th November 2008 to 24th November 2010 subject to the approval of the Central Government and subject to such other approvals of applicable authority(ies), if any, and of the members in the ensuing general meeting, on the terms and conditions and remuneration as set out herein below.

**REMUNERATION:**

**Salary:**

An Indian Rupee equivalent to sterling pound one lakh (£100,000/-) per annum or as may be decided by the Board from time to time, i.e. in the scale of Rs.6 lakh to Rs.9 lakh (Rupees Six Lakh to Rupees Nine Lakh only) per month subject to such annual increments as the Board may determine and approve.

**Other allowance:**

Restricted to an amount equivalent to Mr. Desai's Annual Basic Salary.

**Special Allowance:**

Payable on a monthly/annual basis, as the Board may in its sole and absolute discretion determine.

**Performance Bonus:**

Payable at the sole and absolute discretion of the Board and subject to performance being found satisfactory by the Board. The amount will be calculated per the Company's Bonus Scheme for Directors and will not exceed 200% of Annual Basic Salary.

**Perquisites:**

In addition to salary and performance bonus, Mr. Desai shall be entitled to the following perquisites as per the rules of the Company, which shall include:

- i. *Housing:* The Company shall provide a four bedroom residential accommodation to Mr. Desai, within reasonable commuting distance from the office. The Company shall bear all rental costs, security deposit and local taxes, subject to the same not exceeding Rupees seventy-five lakh per annum. The provision of residential accommodation by the Company to Mr. Desai is however conditional upon his continuing in employment with the Company as Whole-time Director and the use and occupation of the same by Mr. Desai shall cease immediately upon his ceasing to be in the employment of the Company as Whole-time Director for any reason whatsoever;
- ii. *Car:* Mr. Desai and his family shall be entitled to the use of a suitable air-conditioned car (i.e. C class Mercedes, BMW 3 series or Audi A4) and all expenses for the maintenance, running and upkeep of such car, subject to the same not exceeding Rupees eighteen lakh, fifty thousand per annum;
- iii. *Telephone:* Mr. Desai shall be entitled to the use of a telephone (company owned telephone line) at his residence, fax machine, and mobile phone, the rent, call charges (including payments for local calls and long distance official calls) and all other outgoings (excluding personal long distance calls) in respect thereof being paid by the Company;
- iv. *Club Fees:* The Company will provide Mr. Desai and his family, membership at a suitable club and will pay for entry and subscription fees;
- v. *Medical Insurance:* A suitable group health medical insurance policy, covering hospitalization of Mr. Desai and his family, whilst Mr. Desai is in the employment of the Company as per the Company policy;
- vi. Personal Accident Insurance for Mr. Desai as per the Company policy;
- vii. *Health Check Up:* The Company shall bear the cost of an Annual Comprehensive Health checkup for Mr. Desai;
- viii. *Executive Travel Concession:* Mr. Desai shall be entitled to an Indian Rupee equivalent to £15,000/- each calendar year, in accordance with the policy of the Company;
- ix. *Education Allowance:* The Company will assist in the provision of schooling for Mr. Desai's children contributing to any fees incurred to provide a suitable level of education. For any child at school age, the Company will contribute the Indian Rupee equivalent of £15,000 per annum with a further Indian Rupees equivalent of £3,000 made available per annum for any child of pre-school age. Both these payments are to cover school fees and any necessary educational expenses and will be paid directly by the Company to the relevant organisation against receipt of an invoice;
- x. Mr. Desai and each of his family members will be entitled to three business class return tickets each, between India and the UK every financial year;
- xi. *Familiarization Visit:* At the Company's cost, Mr. Desai and his family, will be entitled to a one week visit to Mumbai. During such visit, a relocation agency will be made available by the Company, at its cost, to assist Mr. Desai in familiarizing himself with the city and locating suitable schools and residential accommodation;
- xii. *Relocation Expenses:* Reimbursement of reasonable cost to relocate Mr. Desai, his family and personal belongings and effects from UK to Mumbai when taking up his appointment as Whole-time Director of the Company, and back to the UK from Mumbai upon expiry or earlier termination of the Service Agreement;
- xiii. Any other benefit/perquisite as may be determined by the Board at its discretion from time to time.

**Benefits and Amenities:**

The following shall not be included for the purpose of computation of remuneration or perquisites as aforesaid:

- i. Company's contribution to Provident Fund as per Company's rules to the extent this is not taxable under the Income-tax Act, 1961;
- ii. Gratuity as per Company's rules;
- iii. Familiarization and Relocation Expenses;
- iv. Telephone; and
- v. Medical Insurance and Health Check up.

The expression "family" used in the Service Agreement, shall mean Mr. Desai's spouse and dependent children below the age of 21 years.

All payments to Mr. Desai pursuant to the Service Agreement, will be calculated in Indian Rupees equivalent to UK Pounds, at the average yearly exchange rate of 1GBP = INR 81.29.

**Annual Leave:**

Mr. Desai will be entitled to Annual Leave of 30 days. Administration of this Leave will be in accordance with the Rules and Regulations of the Company.

**Other Terms:**

Notwithstanding anything herein contained, it is expressly agreed and understood that:

- (a) the total remuneration and perquisites payable by the Company to Mr. Desai, including salary, performance bonus and perquisites as aforesaid shall be subject to, unless otherwise approved by the Central Government, the overall ceiling on managerial remuneration prescribed in the Act. The audited accounts of the Company shall be final and conclusive with regard to the determination of the Company's net profits computed in the manner prescribed under the Act.
- (b) where in any financial year during the tenure of Mr. Desai's employment as Whole-time Director with the Company, the Company has no profits or its profits are inadequate, unless otherwise approved by the Members of the Company and Central Government, the remuneration payable by the Company to Mr. Desai shall be subject to the applicable provisions of the Act or any other applicable law or enactment for the time being in force.
- (c) the Board of Directors may increase, augment and/or enhance or vary the remuneration agreed to be paid from time to time to Mr. Desai subject to and in accordance with the applicable provisions of the Act and/or the Guidelines for Managerial Remuneration, or approval, issued by the Central Government or other appropriate authority in that behalf as in force and as amended from time to time.

Income-tax, if any, on or in respect of the entire salary and remuneration payable to Mr. Desai shall be borne and paid by him.

Save as aforesaid, Mr. Desai shall not be entitled to any other payment, benefit or perquisite, whether by way of salary, remuneration, compensation, sitting fees for attending meetings of the Board or otherwise, for or in respect or by virtue of his employment with the Company as a Whole-time Director.

Mr. Desai shall not, so long as he functions as Whole-time Director of the Company, engage or become interested or otherwise concerned, directly or indirectly, in any other business, employment or occupation. Further, he shall not, so long as he functions as a Whole-time Director of the Company, become interested or otherwise connected directly or through his wife, sons or unmarried daughters in any selling agency of the Company without the prior approval of the Board.

Mr. Desai shall not, during his tenure as Whole-time Director, or at any time thereafter, without the prior consent in writing, of the Board in that behalf, divulge or disclose to any person whomsoever or make any use whatever for his own or for any other purpose any information or knowledge obtained by him during his tenure as Whole-time Director as to the business or affairs of the Company, or as to any operations or activities or methods or trade secrets or finances or other confidential information of the Company or any of its subsidiaries, associates or affiliate companies or clients and shall use his best endeavours to prevent any other person from doing so. Provided however that, any such divulgence or disclosure by Mr. Desai to the officers and employees of the Company to the extent required for the proper performance of his duties as Whole-time Director shall not be deemed to be a contravention of this clause.

Mr. Desai shall, as long as he continues to hold the office of Whole-time Director, be liable to retire by rotation and if, for any reason whatsoever, he ceases to be in the employment of the Company as Whole-time Director, he shall ipso facto cease to be a Director of the Company and/or the Company's subsidiary company/ affiliate company/ associate company(ies), as the case may be.

The directors recommend passing of the Ordinary Resolutions.

None of the Directors other than Mr. Rakshit Desai may be considered to be concerned or interested in the proposed resolutions.

The agreement entered into between the Company and Mr. Rakshit Desai is available for inspection to the members at the Registered Office of the Company at any time between 11.00 a.m. and 1.00 p.m. on any working day of the Company except Saturday, Sunday and Holidays upto the date of the Annual General Meeting.

**Item No. 12**

The members may be aware that the Board of Directors of the Company at the meeting held on 27th February 2009 had, on recommendation of the Recruitment & Remuneration Committee, approved the appointment of Mr. Madhavan Menon as a Managing Director for a period of three years commencing from 1st May 2009 to 30th April 2012 subject to such approvals of authority(ies), if

any, (including that of the Central Government), as may be applicable and required, on the terms and conditions and remuneration as set out herein below.

**REMUNERATION:**

**Salary:**

In the scale of Rs.3,50,000/- to Rs.5,50,000/- (Rupees Three Lakhs Fifty Thousand to Rupees Five Lakhs Fifty Thousand Only) per month subject to such annual increments as the Board may in its absolute discretion determine and approve.

**Performance Bonus:**

Bonus as the Board may in its absolute discretion determine and approve linked to Mr. Menon's performance as Managing Director.

**Perquisites:**

Perquisites together with utilities such as medical reimbursement, leave travel allowance for himself and his family, club fees and the like in accordance with the rules of the Company for the time being in force or as agreed to by the Board. The total value of all such perquisites shall be restricted to an amount not exceeding Mr. Menon's annual salary for the time being.

"Family" for determining the leave travel allowance shall mean Mr. Menon, his wife and dependent children upto the age of 21 years.

**Accommodation:**

Accommodation (furnished or otherwise) as per the Company's policy in this regard or House Rent Allowance in lieu thereof; house maintenance expenses, society charges and the like relating thereto on actual basis.

**Medical Insurance:**

Medical Hospitalisation Insurance (Mediclaim) for Mr. Menon and his family comprising his wife and 2 dependent children upto the age of 21 (Twenty One) years and Personal Accident Insurance of Mr. Menon only as per the Company's Policy for the time being in force.

Mr. Menon will also be entitled to undergo an Annual Comprehensive Health Check-up, the cost of which will be borne by the Company.

The value of such Insurance and cost of Health Check Up shall not be included in the computation of the ceiling on the remuneration or perquisites aforesaid.

**Use of Car and Telephone:**

1. Provision for reimbursement calculated for one car.
2. Telephone at residence on a company owned telephone line, fax machine, and mobile phone (including payments for local calls and long distance official calls) shall not be included in the computation of perquisites for purpose of calculating the ceiling on the remuneration or perquisites aforesaid.

**Retirement Benefits:**

Company's contribution to Provident Fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and Superannuation as per Company's policy and Gratuity payable as per the rules of the Company for the time being in force. The value of such benefits shall not be included in the computation of the ceiling on the remuneration or perquisites aforesaid, to the extent these are not taxable under the Income-tax Act, 1961.

**Annual Leave:**

Mr. Menon will be entitled to Annual Leave of 30 days. Administration of this Leave will be in accordance with the Rules and Regulations of the Company for the time being in force.

**Other Terms:**

The Company shall be entitled, if it considers it necessary for the protection of its business interests, trade secrets and confidential information, to require of Mr. Menon that he shall not, for a period of twelve months from the termination of the Service Agreement, either directly or indirectly, and whether alone or in conjunction with or on behalf of any other person, and whether as a principal, shareholder, director, employee, agent, consultant, partner or otherwise, and whether for or without remuneration, be in any manner engaged, concerned or interested in or have any business dealings with any other person, organisation or a company carrying on or engaged in business which is the same as or similar to the business in which the Company is engaged in. Mr. Menon hereby agrees and undertakes to comply strictly with the Company's aforesaid requirement and in consideration of he doing so, the Company shall pay to Mr. Menon during the said period, compensation equal to his last drawn salary every month for a period of twelve months.

Notwithstanding anything herein contained, it is expressly agreed and understood that the total remuneration of Mr. Menon as Managing Director including salary, performance bonus and perquisites as aforesaid shall not, unless otherwise approved by the Central Government, exceed the limits prescribed in the said Act.

If in any financial year during the term of Mr. Menon's employment as Managing Director, the Company does not earn any profits or the profits earned are inadequate then, unless otherwise approved by the Central Government, the remuneration shall be paid as per the monetary ceiling prescribed in Schedule XIII to the said Act.



Notwithstanding anything herein contained, the Board may increase, amend or vary the remuneration agreed to be paid from time to time by the Company to Mr. Menon in accordance with the provisions of the said Act and/or the Guidelines for Managerial Remuneration issued by the Central Government or other appropriate authority in that behalf in force and as amended from time to time.

Income-tax, if any, on or in respect of the entire remuneration payable to Mr. Menon shall be borne and paid by him.

Mr. Menon shall not, so long as he functions as the Managing Director, be paid any fees for attending the meetings of the Board or any Committee thereof.

Notwithstanding anything to the contrary herein contained or implied:

- (a) The Company shall be entitled to terminate the Service Agreement at any time by giving Mr. Menon six month's prior notice in writing in that regard without assigning any reason or upon payment to Mr. Menon of the Basic Salary payable to him for a period of six month's in lieu of such notice, save and except in the case of change of ownership/management control.
- (b) Mr. Menon shall be entitled to terminate the Service Agreement at any time by giving to the Company six month's prior notice in writing in that regard without assigning any reason.

Mr. Menon shall not, as long as he continues to hold the office of the Managing Director, be liable to retire by rotation. Upon the expiry or earlier termination of the Service Agreement, Mr. Menon shall cease to be in the employment of the Company as Managing Director, whereupon, he shall ipso facto cease to be a Director of the Company and/or any subsidiary company/ affiliate/ associate of the Company, as the case may be.

The Board of Directors, therefore, recommend the passing of the Ordinary Resolution contained in Item No. 12 of the accompanying Notice.

No Director other than Mr. Madhavan Menon may be considered to be concerned or interested in the above.

#### **Item No. 13**

The Company' business activities and operations and the nature and scope thereof have and continue to grow at very substantial rate. Consequently the burden of responsibility of the Board of Directors has also continued to increase.

The Directors, therefore, recommend that it would be fit and proper to compensate the Non-Executive Directors for the benefit of their guidance and advice and expertise and the time devoted and sacrificed by them for the business of the Company. Article 121 of the Company empowers the Company to pay such commission to the Non- Executive Directors of the Company. The Directors therefore recommend the payment of a commission at a rate of not more than one percent of the net profits of the Company for the relevant Accounting Year/s. The earlier approval given by the Members of the Company was valid upto 31st December 2008.

The Directors, therefore, recommend adoption of the Special Resolution in Item No. 13 for the purpose, in accordance with Section 309 and other applicable provisions, if any, of the Companies Act, 1956.

All Directors of the Company except Mr. Madhavan Menon, Mr. Vinayak K. Purohit and Mr. Rakshit Desai may be considered to be interested in passing the Resolution.

BY ORDER OF THE BOARD

**R. R. KENKARE**

President & Head – Legal & Company Secretary

#### **Registered Office:**

Thomas Cook Building,  
Dr. D. N. Road, Fort, Mumbai 400 001  
Dated: 27th February 2009

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Udayan Bose (Non-Executive Chairman)  
Manny Fontenla-Novoa (Non-Executive Director)  
Heinrich-Ludger Heuberg (Additional & Non-Executive Director)  
Dr. Angus Porter (Additional & Non-Executive Director)  
Dr. Juergen Bueser (Non-Executive Director)  
Roland Zeh (Non-Executive Director)  
Hoshang Shavaksha Billimoria (Non-Executive Independent Director)  
A. V. Rajwade (Non-Executive Independent Director)  
Dilip K. De (Non-Executive Independent Director)  
Madhavan Menon (Managing Director)  
Vinayak K. Purohit (Executive Director – Finance)  
Rakshit Desai (Additional & Executive Director – Travel Services)

### COMPANY SECRETARY

R. R. Kenkare (President & Head – Legal & Company Secretary)

### AUDITORS:

Lovelock & Lewes

### PRINCIPAL BANKERS:

State Bank of India  
ICICI Bank Limited  
HDFC Bank Limited  
IDBI Bank Limited  
Deutsche Bank  
Standard Chartered Bank  
The Hongkong and Shanghai Banking Corporation Limited

### REGISTRARS AND SHARE TRANSFER AGENTS:

M/s. TSR Darashaw Limited  
6-10, Haji Moosa Patrawala Industrial Estate  
20, Dr. E. Moses Road, Mahalaxmi  
Mumbai – 400 011  
Phone: 0091-22-6656 8484  
Fax: 0091-22-6656 8494/ 0091-22-6656 8496  
Email: csg-unit@tsrdarashaw.com  
Website: www.tsrdarashaw.com

### REGISTERED OFFICE:

Thomas Cook Building  
Dr. D. N. Road, Fort,  
Mumbai – 400 001, INDIA  
Phone: 0091-22-6609 1700/ 0091-22-6160 3333  
Fax: 0091-22-2287 1069/ 0091-22-6609 1454  
Email: shareddept@in.thomascook.com  
Website: www.thomascook.in

### CALL CENTRE:

Toll-Free Nos. (from BSNL & MTNL lines)  
1800-20-99-100/ 1-800-22-COOK (2665)  
Alternate No. (from any phone): 0091-22-67 68 69 70  
Fax: 0091-22-2529 1196  
Email: support@thomascook.in  
SMS: COOK to 567 6700

### CONTENTS

### Page No.

Corporate Information	
Directors' Report .....	1
Annexure to Directors' Report .....	6
Management Discussion and Analysis Report .....	10
Report of Directors on Corporate Governance.....	16
Report of Various Committees of the Board.....	36
Auditors' Certificate on Corporate Governance.....	39
CEO / CFO Certificate on Corporate Governance .....	40
Thomas Cook (India) Limited Financial Statements	
Auditors' Report .....	41
Balance Sheet .....	44
Profit and Loss Account .....	45
Schedules .....	46
Cash Flow Statement .....	68
Consolidated Financial Statements	
Auditors' Report .....	69
Balance Sheet .....	70
Profit and Loss Account .....	71
Schedules .....	72
Cash Flow Statement .....	92
Information regarding Subsidiaries	
Subsidiary Companies	
Travel Corporation (India) Limited .....	93
Thomas Cook Insurance Services (India) Limited .....	119
Thomas Cook Tours Limited .....	132
Indian Horizon Travel & Tours Limited.....	135
Thomas Cook (Mauritius) Holding Company Limited.....	138
Information regarding Subsidiary Companies pursuant.....	147
to Section 212	
Consolidated Five Financial Years' Performance.....	148
Thomas Cook Offices.....	149

## Directors' Report

### TO THE MEMBERS:

Your Directors have pleasure in presenting the Thirty-second Annual Report, together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 2008.

Rupees in Million

	Year ended 31st December, 2008	Year ended 31st December, 2007
Revenues	2588	2230 <sup>#</sup>
Profit before Taxation and Exceptional items	536	393
Provision for Taxation	187	72
Provision for Deferred Taxation	(1)	(25)
Provision for Fringe Benefit Tax	16	12
Profit after Taxation and before Exceptional item	334	334
Exceptional item, net of taxation	32	—
Profit after Taxation	302	334
Transferred from Reserve U/sec. 80 HHD of the Income Tax Act, 1961	18	13
Transferred to General Reserve	34	34
Proposed Dividend*	93	124
EPS (Basic) after exceptional items	1.78	1.76
EPS (Diluted) after exceptional items	1.72	1.71

\*Includes preference share dividend

(<sup>#</sup> Regrouped in 2008)

### Operations & Results

The first half of the year witnessed a healthy growth in the travel & tourism industry. But the second half was impacted by the economic slowdown with individuals and corporates significantly reducing the travel spends. The arrivals of foreign tourists got impacted by the bomb blasts in certain tourist hubs in India and the situation was further aggravated by the 26/11 terror attack.

International tourist arrivals in India in 2008 grew by 6% as against 14% growth in 2007. After showing a 26% growth in 2007, the passengers at Indian airports recorded a negative growth of 2%.

Despite the above, your Company managed to increase the revenues by Rs. 358 million and Profit before Taxation and exceptional items by Rs. 143 million.

During the year, the Company reaped the benefits arising out of integration of LKP Forex and Travel Corporation (India) Limited coupled with the new initiatives like E-Business, launch of new products and services catering to various segments of the customers.

Your Company recorded turnover of Rs. 2588 million and profits before tax and exceptional item of Rs. 536 million with profit after tax being Rs. 302 million for the year ended 31st December, 2008. The basic earning per share of the Company is Rs. 1.78.

As of December, 2008 end, Thomas Cook (India) Limited, alongwith its subsidiaries, continues to be the largest integrated travel group with its presence in 146 locations in India and 7 countries outside of India.

### Issues & Redemption

Your Company had issued 10,50,00,000 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each amounting to Rs. 105,00,00,000 in the previous year. These Preference shares were due for redemption on 29th January 2009.

Your Company successfully completed a Rights Issue and on 21st January, 2009, allotted 5,06,50,699 fully paid-up equity shares of Re. 1/- each for cash at a price of Rs. 35.50 (including a premium of Rs. 34.50) per equity share aggregating to Rs. 1.8 billion. The aforementioned preference shares were then timely redeemed out of the proceeds of the Rights Issue. The new equity shares so issued were listed and available for trading on the Bombay Stock Exchange and the National Stock Exchange with effect from 28th January, 2009.

With the redemption and a fresh issue of equity shares, the Issued, Subscribed and Paid-up Share Capital underwent a change with the Authorised Share Capital remaining unchanged.

The share capital structure as of 27th February, 2009 is as follows:

<i>Authorised Capital:</i>	Rs.	Rs.
Equity:		
34,58,27,060 Equity Shares of Re. 1/- each	345,827,060	
Preference:		
(i) 11,47,60,000 Class 'A', 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each	1,147,600,000	
(ii) 3,55,294 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	3,552,940	
(iii) 3,02,000 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	3,020,000	
(iv) 12,50,00,000 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each	1,250,000,000	
		<u>2,750,000,000</u>
<i>Issued, Subscribed and Paid-up Capital:</i>		
Equity:		
211,446,569 Equity Shares of Re. 1/- each	211,446,569	
Preference:		
(i) 3,19,765 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	3,197,650	
(ii) 2,71,800 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	2,718,000	
		<u>217,362,219</u>

### Employees Stock Option Scheme (ESOP)

With the objective of motivating and retaining key talent in the organisation and fostering ownership, your Company granted stock options to its employees.

The Recruitment & Remuneration Committee administers and monitors the scheme. The applicable disclosures under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") are mentioned in the Annexure to the Directors' Report.

Except for senior managerial personnel and two other persons, none of the employees have received options exceeding 5% of the value of the options issued during the year ending December 2008. Likewise, no employee has been issued share options, during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

## Dividend

Your Directors recommend dividend on the Class 'B' & Class 'C' Preference shares as per their terms as also seek the ratification of the dividend paid to holders of Class 'A' & 10,50,00,000 1% Cumulative Non-Convertible Redeemable Preference Shares on redemption. The Directors are also pleased to recommend a dividend of 37.5% on the equity share capital.

The proposed dividend on the equity capital and preference capital absorbs Rs. 93 million for dividend and Rs. 16 million for Dividend Tax.

## General Reserve

Your Directors have resolved to transfer Rs. 34 million to General Reserve out of the profits of the Company. With the transfer, the total reserves stand at Rs. 757 million as at 31st December, 2008.

## Directors' Responsibility Statement:

The Directors would like to assure the Members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 1956 pursuant to Section 217 (2AA) and that

- a) the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- b) the Directors have selected such accounting policies and applied them consistently except where otherwise stated in the notes to the accounts and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. The internal auditors have conducted periodic audits to provide reasonable assurances that established policies and procedures of the Company have been followed. However, it must be recognised that there are inherent limitations in weighing the assurances provided by any system on internal controls;
- d) the Directors have prepared the annual accounts on a going concern basis.

## Promoters

### *Thomas Cook Group plc*

Thomas Cook Group plc is a leading international leisure travel group, created by the merger of MyTravel Group plc and Thomas Cook AG in June 2007. Thomas Cook Group plc is a fully listed company on the London Stock Exchange.

Thomas Cook (India) Limited is a part of Thomas Cook Group. It remains as a subsidiary of TCIM Limited, an unlisted private company, incorporated under the laws of England and Wales having its Registered Office at Peterborough, England, U.K. and holding 55.87% of the post Rights Issue paid-up equity share capital of the Company. Thomas Cook UK Limited (TCUK) apart from holding 21.45% of the post Rights Issue paid-up equity share capital of the Company, also holds 100% holding in TCIM Limited. Thus, TCUK indirectly holds 77.31% of the present paid-up equity share capital of the Company.

## Group

Pursuant to intimation from the promoters, the name of the Promoters and entities comprising the 'group' as defined under the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969 are disclosed in the Annual Report.

Persons constituting group coming within the definition of "group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

Airtours the Holidaymakers Limited  
 Thomas Cook Group UK Limited  
 (erstwhile Blue Sea Investments Limited)  
 Blue Sea Overseas Investments Limited  
 MyTravel Group plc  
 MyTravel UK Limited  
 Sandbrook Overseas Investments Limited  
 Sandbrook UK Investments Limited  
 TCIM Ltd.  
 Thomas Cook Group plc  
 Thomas Cook Investments (1) Limited  
 Thomas Cook Investments (2) Limited  
 Thomas Cook Overseas Limited  
 Thomas Cook UK Limited

## Thomas Cook (India) Limited

### *Operations in India [including Travel Corporation (India) Limited]*

During the year 2008, the Company successfully consolidated various businesses across Thomas Cook (India) Limited and its subsidiaries. The Company derived the synergy benefits in 2008 arising out of various initiatives like network harmonisation, closure of non-core and loss making units, manpower realignment, and contributions from tourism boards for marketing spends, re-negotiation with vendors due to increased bargaining power. The one-time cost of integration amounted to Rs. 69.8 million.

Thomas Cook organized a 19 city Summer Holiday Sale, a pan-India Holiday road-show offering the best Holiday deals. The road-shows were very successful giving a boost to the Domestic Business. The year 2008 was focused on Domestic Tourism with its launch through the brand name: My India, My Way. During the year, packages catering to the needs of different segments of customers were created.

Your Company was the first Travel Company to offer Indian Rail Bookings online in partnership with IRCTC on its portal. Further, the Company also integrated with Hotels4u real time on www.thomascook.in giving its online customers first hand access to over 30,000 hotels in the Hotels4u inventory.

The Company also tied-up with Axis Bank for pre-paid forex card which offers exchange of upto 7 currencies.

#### *Operations in Mauritius*

2008 has been a year of exceptional performance for Thomas Cook Mauritius Operations Co. Ltd, the foreign exchange arm of the Mauritius Holding entity. Net gains from dealings in the foreign exchange have grown by 38.6% and Profit Before Tax has soared up by 42.1% as compared to 2007.

The Foreign Exchange business has made great strides in creating geographical coverage and visibility by expanding its branch network from 10 to 14 and is expected to grow to 20 branches in the year 2009.

#### **Accolades and Awards:**

Thomas Cook (India) Limited has been the recipient of the following highly prestigious awards in 2008:

- TTG - Best Travel Agency India
- CNBC AWAZ - Best Tour Operator

#### **Directors**

In accordance with Article 131 of the Articles of Association of the Company, Mr. Dilip De, Mr. Vinayak K. Purohit and Mr. Manny Fontenla-Novoa retire by rotation and being eligible, offer themselves for re-appointment to the Board.

Dr. Angus Porter was appointed as an Additional Director with effect from 29th July, 2008. Mr. Rakshit Desai was appointed as an Additional Director and Executive Director – Travel Services with effect from 25th November, 2008. Mr. Heinrich-Ludger Heuberg was appointed as an Additional Director with effect from 27th February, 2009. As Additional Directors, Dr. Porter, Mr. Desai & Mr. Heuberg hold office upto the date of the ensuing Annual General Meeting of the Company.

The Service Agreement of Mr. Rakshit Desai, who was appointed as Executive Director – Travel Services, was entered into on 2nd February, 2009. The same has been included in the Notice convening the Annual General Meeting.

Mr. Madhavan Menon was re-appointed as the Managing Director of the Company for a period of three years w.e.f. 1st May, 2009.

The above appointments and re-appointments form part of the Notice of the Thirty-second Annual General Meeting and the relevant Resolutions are recommended for your approval.

Profiles of these Directors, as required by the Listing Agreement provisions, are given in the Notice/ Corporate Governance Report forming part of this Annual Report.

#### **Auditors**

M/s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company who retire at the forthcoming Annual General Meeting are eligible for re-appointment and have expressed their willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

M/s. PricewaterhouseCoopers, Chartered Accountants, Colombo, Sri Lanka, are recommended for re-appointment as Branch Auditors of the Sri Lanka Branch of the Company.

#### **Auditors' Report**

Regarding Clause 4(a) of the Auditors' Report, based on legal opinions obtained, the Company has considered non-compete fees paid during the year as an allowable expenditure for computing the provision for tax for the current year. The Company has a reasonable case to claim this item as an allowable expenditure.

Regarding Clause 4(b) of the Auditors' Report, the appointment and remuneration of Mr. Rakshit Desai, Executive Director – Travel Services, is subject to the approval of the members in the general meeting and the Central Government of India for which an application has already been made.

#### **Subsidiary Companies**

The Audited Statement of Accounts along with the Directors' Report of Travel Corporation (India) Limited, Thomas Cook Insurance Services (India) Limited, Thomas Cook Tours Limited, Indian Horizon Travel & Tours Limited and the Consolidated accounts of Thomas Cook (Mauritius) Holding Company Limited for the year ended 31st December, 2008 are separately attached as required under the provisions of Section 212 of the Companies Act, 1956.

#### **Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and expenditure**

Your Company being in the Tourism hospitality industry, its activities do not involve in any expenditure on Technology and



Research and Development and therefore, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not required to be submitted.

During the year, the foreign exchange earnings amounted to Rs. 639 million, whereas, the Company has incurred Rs. 60 million as expenditure in foreign currencies towards interest, bank charges, professional fees as well as travelling for promotional activities, subscriptions, etc., as disclosed in Schedule Q Note 2(h) and 2 (f) in the Notes to the accounts.

### **Fixed Deposits**

Your Company has not accepted deposits from the Public within the meaning of Section 58A of the Companies Act, 1956 and as such no amount principal or interest was outstanding on the date of the Balance Sheet.

### **Listing of Shares**

Your Company is listed on two Stock Exchanges in India viz. Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. The Listing Fees for the Financial Year 2008-2009 have been paid to both the Stock Exchanges within the prescribed time limit.

### **Employees**

Relations with the employees continued to be cordial throughout the year. Your Directors place on record their appreciation of the efforts, dedication, commendable teamwork and exemplary contribution of the employees in the various initiatives of the Company and contributing to the performance of the Company during the year under review.

### **Information pursuant to Section 217(2A) of the Companies Act, 1956**

The particulars required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report and have been annexed herewith.

### **Corporate Governance**

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 SEBI and the Stock Exchanges where it is listed.

The disclosures as required under the Corporate Governance standards have been furnished as a part of this report. Your Company has taken the requisite steps to comply with the recommendations concerning the Corporate Governance. The Management Discussion and Analysis Report forms part of this Annual Report. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

### **Acknowledgments**

Your Directors thank all the Shareholders, Customers, Vendors for their continued support throughout the year. We also thank Ministry of Tourism, Reserve Bank of India and other Banks, Financial Institutions, Government of India, State Governments, and other Government agencies for the support extended by them and also look forward to their continued support in future.

Your Directors also wish to place on record their appreciation of the contribution made by the Company's employees at all levels but for whose hard work, solidarity and support your Company's consistent growth would not have been even possible.

FOR AND ON BEHALF OF THE BOARD

UDAYAN BOSE	—	CHAIRMAN
MADHAVAN MENON	—	MANAGING DIRECTOR

Mumbai

Dated: 27th February, 2009

## Annexure to the Directors' Report

Information as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st December 2008.

Sr. No.	Name	Age	Designation	Remuneration	Nature of Duties	Qualification	Total Experience	Date of joining	Last Employment
1	Mr. Datar Ulhas #	54	Manager – Accounts	3191955	Managing Accounts for leisure Travel Department of the Company	B. Com	32	26th December 1977	National Insurance Company
2	Mr. Dawe Sohrab	43	Associate Vice President – Information Technology	3719193	Responsible for developing and managing the Information Technology systems and network for the Company and its subsidiaries in India and overseas	MHRDM, B.Com, Software Application	22	9th April 2007	Lavasa Corporation Limited
3	Mr. Desai Rakshit #	33	Executive Director – Travel Services	2473348	Overall responsibility for the growth and operations of the Travel Businesses – Corporate Travel, Leisure – Outbound, Inbound and Domestic. Also Director on the Board of the Company	MBA – International Business, M. Sc – Economics, PWE	10	25th November 2008	Thomas Cook Group plc (UK)
4	Ms. Dosabhai Maharukh	48	Associate Vice President – Human Resources	2808632	Responsible for Personnel and Payroll related matters of the Human Resource Function of the company	M.Sc., M.A.M	25	1st January 1991	Mazda Industries Ltd.
5	Ms. Gupta Nalini	55	President & Head – Marketing	13944100	Responsible for the Marketing and Corporate Communication Functions of the Company	MMM, B.Com, Dip. in Mass Commu., Dip. in French	32	1st May 2007	South African Airways
6	Mr. Kale Rajeev D.	39	Associate Vice President – Leisure Travel (Outbound)	2840666	Responsible for growth and operations of the M.I.C.E. (Meetings, Incentives, Conferences & Events) Division of the Leisure Travel (Outbound) business of the Company	B. Com.	16	1st May 2007	Cox & Kings India Pvt. Ltd.
7	Mr. Kenkare Rambhau R.	43	President & Head – Legal and Company Secretary	8299869	In charge of Legal, Secretarial and related regulatory Compliance for the Indian Operations as also the Company's branches/subsidiaries in India and in the IOR countries. Responsible for Corporate Governance related statutes and issues. Is the Statutory Authority under the Prevention of Insider Trading Policy. Secretary: Audit Committee.	B. Com, L.L.B, F.C.S, A.C.I.S.(UK), M.I.C.A.	19	1st December 1998	Blue Dart Express Ltd.
8	Mr. Mantry Kuldeep	38	Associate Vice President – BPI & Audit	3308062	Responsible for the Business Process Improvement & Audit function of the Company on an all India Basis	B.Com., A.C.A.	14	27th July 2006	Syntel Inc.
9	Mr. Mehta Parag	47	President & Head – Foreign Exchange	8473577	Responsible for the Foreign Exchange business of the Company, including the Dealings front office function	B.Sc., Executive Business Management from Harvard	18	1st January 1990	LKP Forex Limited
10	Mr. Menon Madhavan	54	Managing Director	16969504	Overall responsibility for the operations and financial performance of the Company's operations in India as well as the performance of subsidiaries in India and IOR countries	B.A. (Business) - George Washington University, USA, M.B.A. (Fin. & Intl. Buss.) - George Washington University, USA	30	2nd May 2000	Birla Sun Life Asset Management Company (AMC) Ltd.
11	Dr. Nair Prasanth	38	President & Head – Human Resources & Special Projects	7199790	Responsible for the Human Resources Function and Financial Services Business and other special projects of the Company.	B.Tech, Fellow Programme in Management (Doctoral Programme, IIM Ahmedabad)	11	9th May 2005	Wockhardt Ltd.
12	Mr. Nair Suraj	38	Associate Vice President – Strategy & Planning	2636323	Responsible for strategy and planning for Corporate Travel business and project execution for Corporate Travel	MBA, PGDBM, B.Sc, International Dip. in Computer Prog. & Appl.	16	7th June 2007	American Express
13	Mr. Nandy Debasis #	43	Vice President – Finance & Controller	516088	Responsible for the Finance and Accounts Function of the Company in India, as also of its subsidiaries in India and abroad	A.C.A., B.Com	21	14th November 2008	Nicholas Piramal India Ltd.
14	Mr. Narayan Hari #	45	Manager – Salary Administration	218514	Managing Payroll and payroll related matters for the Company	B.Com, Diploma in Personal Management	20	11th June 1987	IBP Company Limited
15	Mr. Pandey Amitabh	50	President & Head – E-Business	6060333	Responsible for conceptualising and implementing the E-Business strategy for the Company, creating thereby, a new business channel resulting in overall growth of business	M.A. (Economics), B.A. Hons. (Economics)	27	1st June 2007	IRCTC Ltd., Ministry of Railways, Govt. of India

Sr. No.	Name	Age	Designation	Remuneration	Nature of Duties	Qualification	Total Experience	Date of joining	Last Employment
16	Ms. Pimenta June	57	Vice President – Foreign Exchange	2854778	Responsible for Process, Compliance and Statutory matters related to the Foreign Exchange business. Holds additional responsibility as Money Laundering Reporting Officer (MLRO) of the Company	B.Sc.	31	22nd January 1979	Film World
17	Mr. Purohit Vinayak K.	53	Executive Director – Finance	15610800	Overall responsibility for Finance and Accounting function of the Company in India as also its subsidiaries in India and overseas. Also overseas the Administration function of the Company	B.Com., A.C.A.	28	14th May 2007	HT Media Ltd.
18	Mr. Sengupta Saibal	43	Head – Financial Services	3009063	Responsible for Management and growth of the Financial Services Business of the Company.	B.Com, Executive Development Prog, Key Account Management	21	15th November 2007	Bharti AXA Life Insurance Company
19	Mr. Sethi Vijay	48	Vice President & Head – Service Quality & Customer Care	3952659	Responsible for ensuring all aspects of Customer Service performance standards, across all businesses, with specific focus on processes, Customer Service and performance optimisation. Redressal of Customer complaints and service recovery	BA, Dip. in Reception & Booking, Dip. in Hotel Management & Catering	29	1st May 2007	Jet Airways
20	Mr. Sharma Gautam #	42	President & Head – Marketing & Financial Services	5446659	Responsible for the Financial Services (Credit Cards) Division as also the Marketing function, including Product Development for Leisure Outbound products	B.Tech., PGDM, IIM (Ahmedabad)	18	10th July 2006	ING Vysya Life Insurance Co. Pvt. Ltd.
21	Mr. Sharma Vipin Kumar #	39	General Manager – Leisure Travel (Inbound)	440578	Responsible for Growth & Development of Inbound business from Japan to India	B.A.	12	10th December 2007	Kuoni Travels Ltd.
22	Mr. Srinivasan Anil	47	Chief Operating Officer – Corporate Travel	4754329	Responsible for the growth and operations of the Corporate Travel business in India	M.Com., IATA (Advanced), PGDBA	29	16th August 1979	Started his career with Thomas Cook (India) Limited
23	Mr. Sudhakar Sukumar #	45	Head – Visa & Passport Services	1670945	Responsible for: (a) conceptualising and setting up the 'Visa & Passport Services' Business of the Company; (b) planning the growth of the 'Visa & Passport' Business in the retail market	M.Sc., PGDBA (HR)	23	21st May 2008	HRG SITA India
24	Mr. Suri Sunit	42	Chief Operating Officer – Leisure Travel (Inbound)	4440887	Responsible for growth and operations of the Leisure Travel Inbound business of the Company through its branches in India and overseas offices	B.Com, Inter ICWA	19	18th October 2007	Kuoni Travels Ltd.
25	Mr. Suri Vishal	41	Chief Operating Officer – Leisure Travel (Outbound) & Domestic	6740346	Responsible for growth and operations of the Leisure Travel (Outbound & Domestic) business in India	B.E-Electrical, MSP	19	7th November 2005	Bharti Tele Venture Ltd.
26	Mr. Swamy Nelson #	56	Assistant Manager – Credit Control	307644	Credit Controller of the Leisure Travel business of the Company	B.Com, IETA Standard	37	26th April 1983	Raj Trading Company
27	Mr. Tewary Amitabh #	34	Associate Vice President and Alternate Channel Head	1589594	Responsible for Sales of Thomas Cook Credit Cards (Financial Services Product from Company)	B.A., P.G.D.M.	10	4th January 2007	GE Money (SBI Cards & CE Countrywide)
28	Mr. Tibrewala Sanjay #	36	Vice President – Accounts	3425397	Responsible for the Finance and Accounts Function of the Company in India, as also of its subsidiaries in India and abroad	A.C.A., A.C.S., ICWA, B.Com	14	24th November 2005	Edelweiss Capital Ltd.
29	Mr. Warsi Khalid #	40	Head – National Sales West Zone- Corporate Travel	604095	Responsible for the Sales of Corporate Travel Business of the Company	B. Com, IATA / UFTA, Diploma in Travel & Tourism	11	17th December 2007	HRG SITA India

Notes: 1. The nature of employment of Directors is contractual.

2. Remuneration as shown above includes Salary, Bonus, Commission, House Rent Allowance, Company's contribution to Provident Fund and other funds and expenditure incurred by the Company on Housing, Car, Electricity, Water, Gas, Medical and Leave Travel Allowance and other allowances. Wherever the actual costs are not ascertainable, monetary value of those perquisites as per Income-tax Rules, 1962 has been considered.

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

4. None of the employees mentioned above is a relative of any Director of the Company.

5. # Employed for part of the year and in receipt of remuneration aggregating to Rs. 2,00,000/- per month.

FOR AND ON BEHALF OF THE BOARD

UDAYAN BOSE

–

CHAIRMAN

MADHAVAN MENON

–

MANAGING DIRECTOR

Mumbai

Dated: 27th February, 2009

## Annexure to the Directors' Report

### Disclosures under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Scheme Name: ESOP 2007		Granted on 25th July 2007	Granted on 10th July 2008
1.	Options Granted	1167875	1414250
2.	Pricing Formula	95% of the closing market price on that exchange where higher shares are traded	95% of the closing market price on that exchange where higher shares are traded
3.	Options Vested	1104125	None vested so far
4.	Options Exercised	13540	0
5.	Total number of Ordinary Shares arising as a result of exercise of Options	13540	0
6.	Options Lapsed / Forfeited / Cancelled	231085	174250
7.	Variations of terms of Options	The ESOP 2007 Scheme was amended vide Postal Ballot Notice dated 21st August 2007 and approved on 12th October 2007, for the purposes of recovering the Fringe Benefit Tax (FBT) from the employees and varying certain terms of the Scheme according to SEBI guidelines	None
8.	Money realised by exercise of the Options	Rs. 837,990.60	N.A.
9.	Total number of Options in force	923250	1240000
10.	i) Details of Options granted to senior managerial personnel in 2008	Appendix – A	
	ii) Any other employee who receives in any One Year of grant of Option amounting to 5% or more of Options granted during the Year	Appendix – B	
	iii) Identified employees, who were granted Options, during any One Year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant	None	
11.	Diluted Earning Per Share (EPS) calculated in accordance with Accounting Standard 20 issued by ICAI for the year ended 31st December, 2008.	1.72	
12.	i) Method of calculation of employee compensation cost	Intrinsic Value Method	
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if fair value of Options had been used	Reported Profits:	301,962,632
		Add: Intrinsic Value:	2,734,702
		Less: Fair Value:	30,588,842
		Adjusted Profits:	274,108,492
	iii) The impact of difference on profits and EPS of the Company for the year ended 31st December, 2007 had fair value Options had been used for accounting Employee Options	Reported Basic EPS:	1.78
		Adjusted Basic EPS:	1.61
		Reported Diluted EPS:	1.72
		Adjusted Diluted EPS:	1.56
13.	Weighted Average exercise price of options granted during the year is less than market price of stock on the grant date	Rs. 77.62	

14. A description of method and significant assumptions used during the year to estimate the fair value of Options granted during the year

The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:

- 1) Risk free Interest Rate 9.26% – 9.28%
- 2) Expected Life 5.50 – 6.50 years
- 3) Expected Volatility based on daily closing Market Price 40.70% – 42.87%
- 4) Expected Dividend Yield 0.96%
- 5) The price of underlying share in the market at the time of grant 81.70

**Appendix – A (Details of options granted to and accepted by Senior Managerial Personnel)**

Sr. No.	Name of Senior Managerial Personnel	Designation	No. of Options Offered in 2007	No. of Options Offered in 2008
1.	Mr. Madhavan Menon	Managing Director	2,05,000	2,50,500
2.	Mr. Vinayak K. Purohit	Executive Director – Finance	1,62,500	1,85,000
3.	Mrs. Nalini Gupta	President & Head – Travel Businesses	1,50,000	1,85,000
4.	Mr. Gautam Sharma	President & Head – Marketing & Financial Services	1,08,750	–
5.	Mr. Parag Mehta	President & Head – Foreign Exchange	1,08,750	1,00,000
6.	Mr. Amitabh Pandey	President & Head – E-Businesses	63,750	86,000
7.	Dr. D. Prasanth Nair	President & Head – Human Resources & Special Projects	56,750	86,000
		<b>TOTAL</b>	9,19,250	8,92,500

**Appendix – B (Employees who received in 2008, grants of Options amounting to 5% or more of Options granted during 2008)**

Sr. No.	Name of Employee	Designation	Options offered in 2008	Percentage of options offered in 2008
1.	Mr. Vishal Suri	Chief Operating Officer - Leisure Travel (Outbound) & Domestic	73,000	5.16%
2.	Mr. Sunit Suri	Chief Operating Officer - Leisure Travel (Inbound)	78,000	5.52%
		<b>TOTAL</b>	1,51,000	

(Note: There were no employees who received in 2007, grants of Options amounting to 5% or more of Options granted during 2007.)

FOR AND ON BEHALF OF THE BOARD

UDAYAN BOSE – CHAIRMAN  
MADHAVAN MENON – MANAGING DIRECTOR

Mumbai  
Dated: 27th February, 2009

## The Management Discussion and Analysis Report

### India Travel and Tourism Industry

India is an attractive and preferred tourist destination. A 5,000 years history, rich cultural heritage, natural beauty, diversity of religion and alternative medicine fascinate budget and luxury travelers alike.

Tourism in India has registered significant growth in the recent years. In 1951, international tourist arrivals stood at around 17,000 which has gone up to 5.36 million in 2008. Indian tourism is one of the most diverse products on the global tourism scene. India has 26 world heritage sites. It is divided into 25 bio-geographic zones and has wide ranging eco-tourism products. Apart from this, India has a 6,000 km coastline and dozens of beaches. India's great ethnic diversity translates into a wide variety of cuisine and culture. India also has a large number of villages, plantations and adventure locations. India is home to a great variety of wildlife and its wildlife reserves are well known throughout the world. It also has one of the world's biggest railway systems opening possibilities for those interested in rail tourism. India also has excellent hospitals offering affordable medicare and traditional healthcare systems like Ayurveda.

With rising incomes, growing aspirations and increasing globalization the domestic tourism is also on the rise. More Indians are traveling domestically and abroad, for leisure. A growing airline industry, cheaper fares and improvement in the travel related infrastructure over the last few years has contributed to this. Tourism sector holds immense potential for Indian economy. It can provide impetus to other industries through backward and forward linkages and can contribute significantly towards the country's GDP.

According to the Tourism Satellite Account of India (TSA), tourism contributes to 6% of the total GDP and its share in employment; both direct as well as indirect is 9%.

### GOVERNMENT INITIATIVES

Slowdown in the source markets coupled with terrorist attacks have affected the foreign tourist arrivals in India adversely. In order to revive the Inbound Tourism, the Indian Government has taken the following initiatives:

1. Market Development Assistance (MDA) Scheme: Ministry of Tourism will provide support for promoting tourism in India.
2. Under the Hospitality programme, Ministry of Tourism will invite editorial teams of travel publications, travel writers, journalists, photographers, etc. to effectively project India as an attractive multi-destination tourist centre. Expenditure for travel, etc. of the editorial teams will be met by the Ministry.

3. The Ministry will also provide benefits to organisers of MICE (Meetings, Incentives, Conventions and Events) programmes, which have emerged as a substantially high component of growth inbound tourism.
4. The Ministry would encourage the private tourism trade to organize annual trade mart wherein all travel agents, travel operators, travel journalists would participate to promote tourism.
5. Tourism industry has declared 2009 as the Visit India Year. Those who visit India in 2009 would thereafter experience India's rural tourism, eco tourism, adventure tourism, wellness tourism in specially worked out packages in 2010 and 2011.
6. India tourism offices overseas shall liaise with the media and travel trade in their respective regions and examine the possibility of organizing familiarization tours to Mumbai and/or other regions of the country, to get a first hand information on the ground realities.

Other initiatives taken by the government are:

- The rate of service tax has been reduced by 2%.
- Ministry of Tourism is conducting road shows in Europe and the Americas.
- Make maximum use of the opportunities that will be presented to India when we host the 2010 Commonwealth Games in New Delhi.

### Present Scenario

After registering a 9% growth in last three years, Indian Economy's growth declined to 7% (estimated). The Rupee depreciated against a Dollar by 26%. Inflation (WPI), which was at 3.8% at the beginning of 2008, reached to a peak of 12.1% in August 2008.

Crude oil price went as high as \$ 147 a barrel in July '08. The above had a direct impact on Travel and Tourism industry in 2008. Airlines increased the fuel surcharges and hence air travel became costlier. Depreciating Rupee increased the land cost of the holiday packages. Corporates reduced the travel spends as their bottomlines were under pressure.

### FINANCIAL SERVICES

A turbulent 2007 paved the way for a better 2008. The Rupee that appreciated in 2007 moved the other end of the curve and depreciated 26% over 2007. This together with the positive trend that prevailed in the first half of the year helped the foreign exchange business to rake in volumes. The synergy benefits arising out of merger of LKP Forex Limited were fully fructified in the current year and the benefit of rationalization was clearly visible.



The year 2008 was a mixed bag with sharp movement in Rupee especially during Q1 2008 and then a period of steady movements during Q2 & Q3, followed by a sharp depreciation again in Q4.

Turmoil in the financial markets and the FII outflows were seen as major factors influencing the movement of the Rupee. The credit squeeze in the Indian Markets that followed in the wake of the global financial crisis saw the RBI stepping in to announce a slew of rate cuts to infuse capital in the economy.

Your Company managed to insulate itself in these difficult times in the foreign exchange business with a number of measures to ensure profitable volumes and took advantage of the credit squeeze to improve its margins in the wholesale business.

The Retail business surged ahead especially in “U-Special”, a product for students going overseas for studies, which was launched in 2007.

During the year the business tied up with a leading private bank to offer Prepaid Travel cards which offers the flexibility of offering six currencies thereby allowing the customer the choice for destination currencies.

The business faces challenges in the coming months given the global meltdown and recession in many big economies. Curtailed travel spends by many corporates and a slow down in the outbound business may impact its performance though business is making every effort to tide this over by managing costs prudently and focusing on niche retail segments to continue its growth trajectory.

## TRAVEL & RELATED SERVICES

A strong, consumption-driven economy, a large and increasingly affluent middle class and the on-going liberalization of air transport will contribute to around 10 per cent annual growth in Indian outbound travelers.

Better negotiation and strategic alliances between travel partners would be a key to sustaining the higher revenues.

The travel market is changing dramatically. With the internet, e-mails, mobile phones and other communication technology becoming a part of daily lives, a whole world of information and choices are available to today's travelers, which make it critical for the travel agents to constantly innovate in order to understand the customer's needs and expectations.

With high degree of comfort of the internet bookings, online business is expected to gain increased momentum and increase in volumes. All Thomas Cook products are available through our website. An exclusive warehouse has been set up to execute all online bookings.

With our new portal [www.thomascook.in](http://www.thomascook.in), having commenced a range of travel related products can be booked with real-time

availability and confirmations. This new ecommerce enabled portal is focussed on functionality: an ease in bookings and simple transaction processes coupled with online payment via credit card and internet banking.

Domestic tourism will grow rapidly in the coming years. The Company launched several tour packages to capitalize on the growing demand from the domestic tourism.

India remains an attractive destination for foreign tourists. The UK, US and Canada together contribute one third of the total arrivals. New forms of inbound tourism like medical, rural, religious, adventure, etc. are on the rise.

The start of the year saw a buoyant economy with a GDP of 8-9%. This led to continuation of the spurt in aviation growth, particularly in the low cost segment. The surplus seat capacity led to reduction in prices, and had a chain effect of being able to woo away the high-end rail traveller to air travel.

Post July '08, however, the steady rise in ATF fuel prices, coupled with the global economic crisis which impacted all sectors, however led to a fall in demand for travel, as corporates increasingly cut costs in order to survive the economic slowdown. This was further accentuated by the 26/11 crisis in Mumbai. After showing a 26% growth in 2007, the passengers at Indian airports recorded a negative growth of 2%.

The zero percent commission by airlines to the agents which came into play partially will lead to some aggressive deals from the airlines for larger players. In the zero percent scenario the ability of the Travel Management Company to differentiate its products and offer Value Added Services would be the key to future growth prospects.

The combined strength of Thomas Cook and Travel Corporation (India) Limited (TCI) offers us a higher leverage with our partners in terms of financial benefits.

The outlook for 2009 indicates that the effects of the global economic crisis could continue for some time.

The Company has embarked on a major software initiative project which will provide B2B facilities via a Self Booking Tool to its corporate customers, where all services would be available to the customer seamlessly offered on one platform. Another initiative to be launched shortly will lead to all back-end operations being centralised leading to uniformity, standardisation and higher quality of service to the customer. These initiatives are expected to be fully in place in Q1 2009.

Airlines are continuously lowering their fares lower to woo more customers in a stagnant economy (while taxes keep rising). This erodes the revenue margins and may lead to lower revenues.

The zero commission environment coupled with the economic slowdown is forcing some customers to undertake bookings

themselves on portals directly, thereby eliminating the travel agent as an intermediary. This will be countered by us by offering these customers a 'low fee-no frill' service on the Self Booking Tool.

Efforts are being made to enhance our customer base as well as sales base by signing on a few key large market customers.

The Company will continue to strive in dovetailing its actions and strategies to take advantage of the ever changing and growing travel sector, and continue to interact and influence the government, in continuing to provide the Indian tourists with global bench-marked services and an appropriate infrastructural platform to the tourism sector.

Uncertainties such as terror attacks, epidemics, conflicts, natural calamities and the effects of the global business downturns are risks the travel and tourism industry will be susceptible to; these perils cannot be disregarded in the future.

#### **MEETINGS, INCENTIVES, CONFERENCES AND EVENTS (MICE)**

MICE or Meetings Incentives Conferences Events is the fastest growing section of the International tourism market. It caters to various forms of business meetings, employee and stake holder rewards, International business conferences, conventions, events and exhibitions.

Indian corporates are increasingly looking at overseas destinations in South East Asia, Western Europe, Australia, Middle East, Japan, Canada & Africa for their annual conferences, rewards and events.

The importance of the MICE industry lies in the fact that it converts the annual business meetings and conferences into a glamorous and enjoyable event for the delegates and attendants.

Our incentive division works closely with the client to tailor make a program best suited to his needs and budgets. These individual programs being created are unique in nature normally provide us a client with a long-term relationship. The incentive division amongst other services assists in selection of a destination, providing a choice of airlines using the most economical route and complete logistic support on ground.

The Company has explored the huge potential in the MICE segment of business and has achieved substantial growth.

#### **FINANCIAL PERFORMANCE**

The Company has posted profit before tax (and before exceptional items) of Rs. 536.5 million and the profit after tax (after exceptional items) of Rs. 301.9 million. On a consolidated basis, the profit before tax (and before exceptional items) stood at Rs. 631.2 million and the profit after tax (after exceptional items) was Rs. 373.3 million.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Internal control systems are basically of four types namely Strategic, Operational, Financial and Legal. All the four types of systems have been integrated to ensure that the Company's Business Objectives are duly accomplished. These systems are being regularly reviewed and wherever necessary are modified or redesigned to ensure better efficiency and effectiveness. In 2005, our Company implemented an integrated Front Office System (FOS) – the Project Vector, to give effect to various system level controls. The front office system is backed by an integrated SAP Accounting System. These twin integrated systems form the backbone of the overall control environment. Further user requirements are taken care on an on-going basis so as to derive maximum benefits of these information systems.

The systems are subjected to supervision by the Board of Directors and the Audit Committee, duly supported by the Corporate Governance, voluntarily observed since the last two decades and statutorily applicable from the financial year ending October 2001. Control environment has been well laid down through written policies pertaining to integrity and business ethics, prevention of insider trading, anti money laundering and human resources. These policies are implemented through operational and financial manuals. Corporate level Credit Policy is implemented to effectively monitor the Credit Business to Corporates and thereby effective funds management is ensured. Considering the key role played by Information Technology in the various business processes of the Company, proper framework has been provided for the data security through the Information Systems Security Policy laid down by the Management. Periodical reviews are carried out to ensure effective implementation of the policy in all the functional areas.

All the systems are subject to Internal Audit by in-house Internal Audit department as well as outside consultants and agencies in the form of Audit assignments such as Operations audits, Finance & Accounts audits, Support functions audits, Systems and IT audits, Statutory compliance audits. These are further supported by the Statutory Auditors who validate that the financial reporting is true and fair. The President & Head - Legal & Company Secretary heads the Compliance function, the Vice-President – Foreign Exchange is the Money Laundering Reporting Officer (MLRO) overseeing the AML compliance and the Associate Vice-President – BPI & Audit, in addition to his role as an Internal Auditor, conducts constant spot checks to ensure that the compliances of all rules and regulations including business processes are met. Clause 49 Audits are conducted by External Auditors and their recommendations are implemented for effective Corporate Governance. 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 RBI.

Anti Money Laundering Manual for India is in force since 2003 with revisions therein according to the modified guidelines of

RBI. Anti Money Laundering manual for Mauritius and Sri Lanka is in force and effectively monitored.

## RISKS AND CONCERNS

### General:

Corporate level Risk Matrix is approved by the Board and Company resorts to Risk Management methodologies to ensure that various business risks, identified well in time, are assessed for their possible impact and are effectively mitigated through various control measures. Open risks, if any, are adequately covered by Insurance. Business Continuity Plans (BCPs) have been designed for the key operations of the Company to address any disaster event. BCPs are further being reviewed during every year, for effective updation.

The Company has a Risk Committee chaired by the Managing Director, which meets monthly, in addition to emergency meetings, whenever required to address the risk issues relating to various business and support areas and monitor the critical factors in order to effectively address them. The Risk Committee approved the risk mapping for India, which lists down major risks faced by the Company in India and the mitigation controls put in place to bring down their impact. To address the Information Systems related risk issues, the Company has constituted Information Systems Security Committee (ISSC) which has its quarterly meetings. Minutes of the ISSC are put up in the Risk Committee which approves the recommendations made by the ISSC for implementation. The Risk Committee in turn reports to the Audit Committee, constituted by the Board.

## INFORMATION TECHNOLOGY:

### Information Systems Security Committee:

The Committee consists of members from the Business Process Improvement & Audit department and the Human Resources Department. Member from the Information Technology (IT) department acts as Rapporteur.

The Committee meets quarterly before each of the Risk Committee Meeting. It also meets when significant changes take 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.

### Terms of reference:

This Committee has overall responsibility for all areas concerning IT security.

## SERVICE QUALITY & CUSTOMER SERVICES

The Service Quality & Customer Services department is an independent department reporting directly to the Managing Director. It has been able to infuse tremendous awareness in the organization on the need to build a "Customer Centric"

culture in the organization that provides us a cutting edge over the intensifying competition and as a most conspicuous differentiating factor for the increasing discriminating customers.

Going forward the objective will be to leverage the current capabilities across all the Customer touch points and steer strategically the processes and technology changes to align the organization with the volatile market conditions. This has been categorized for action as follows:

- Greater focus on Customer service.
- Ensuring a structured service resolution and Customer retention.
- Track multi channel Customer interactions.
- Recording, Managing and Integrating Customer lifecycle history.
- Build an adequate Customer Experience Management process

During the year 2008, the department undertook the following initiatives:-

*IMPRESSION MANAGEMENT TRAINING* - 13 one-day training programs were conducted by an external agency across the country to ensure that behavioural skills are an integral part of all employees.

*INTERNAL & EXTERNAL BENCHMARKING* - In order to develop Service Standards, the department had collated best practices in processes and soft skills across our Organization and that of our competitors. The data from mystery audits and customer feedback were used to develop Internal and External Benchmarks.

*CUSTOMER COMMUNITY* - A customer meet was organized of our repeat clients in Mumbai to provide an opportunity for our customers for their feedback and to showcase the new product offerings.

*VOICE OF CUSTOMER PRESENTATIONS* - So as to create awareness amongst our employees on the significance and importance of customer feedback/complaints, a presentation module was designed and developed based on customer complaints and appreciations received during the year.

*SEAMLESS CUSTOMER SERVICE AWARDS* - The objective of these awards is to create the importance of customer service by rewarding those employees who go "beyond the call of duty". These awards are provided on a quarterly basis and culminate in annual awards which also recognize those support departments that have ably assisted the frontline through the year.

*MINIMUM STANDARDS* - Basic minimum Service Standards in processes and soft skills were developed so as to have consistent

levels of service in the organization. These standards were evolved from customer complaints, quality audits and observations and shared with all in the respective businesses.

**COMPLAINT MANAGEMENT ANALYSIS** - Complaint Management software has been specifically made for the Service Quality and Customer Care department to capture complaints and their service recovery, thereby ensuring detailed analysis on the service detractors of the Company. This ensured an effective recovery of the customers' concerns.

**CUSTOMER RELATIONSHIP MANAGEMENT (CRM)** - We have completed the collection and consolidation of contact details in a structure manner of our past customers from all businesses (customer interface touch points) in order to leverage for future customer relationships and cross sell our large range of products and services, thus increasing business.

**UNIFORMS** - The Company introduced new uniforms for all customer interfacing employees across India, as a well groomed appearance instills confidence in a customer and projects a positive and efficient outlook to all.

The Service Quality and Customer Care department aims to address all aspects of customer service performance standards, across businesses, with the objective to build Thomas Cook into 'Centers of Excellence' in Customer Service.

## HUMAN RESOURCES

In keeping with our mission of **'Exceptional Service from Exceptional People'**, the Human Resources department in Thomas Cook (India) Limited is focused on building a world class service organization with a high degree of performance orientation by enabling the development of cutting edge leadership competencies, imparting dynamism with a 'bias for action' and endeavouring to enhance the employee engagement levels.

Human Resources, in Thomas Cook 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 part of the HR Action plan, we have initiated steps to work on each of key variables that affect human resources, both at a strategic level and at an operational level.

Towards building an organization focused on our strategic objectives, 2008 saw rebuilding of the Leisure Travel Inbound and Corporate Travel Business teams, by inducting senior level talent from the industry. 2008 also witnessed the consolidation and realisation of synergy benefits accruing from the smooth integration with both LKP and TCI.

The Performance management system 'X-Factor', launched in 2006 with the objective of building a 'Performance Oriented'

organization with emphasis on enhancing the process quality and establishing a linkage between results and rewards enabled a greater focus on performance. We will continue to strengthen the process based on feedback.

The Company continues to conduct training and development programs at various levels. At the Junior Level, the programs are focused on continuous improvement of functional skills and developing effective interpersonal capabilities. At Middle and Senior Management levels, the interventions are geared towards developing a holistic business perspective. Towards this objective, a structured Management Development intervention 'MILE' was launched last year, in association with Indian Institute of Management, Ahmedabad (IIMA) and Indian Institute of Management, Indore (IIMI).

A major emphasis is given to quality and time bound recruitment, which ensures that the down time is minimized. The Company continues to nurture talent through TCMLP (Thomas Cook Middle Leadership Program) and TCETP (Thomas Cook Executive Trainee Program) so as to create talent pipeline at various levels in junior and middle management. In addition last year, we initiated TCMT (Thomas Cook Management Trainee Program) towards the same objective but with a focus on a different set of fresh talent. With the objective of creating talent, we initiated under the umbrella of 'Center of Learning' a program for aspiring tour managers and in collaboration with NMIMS – a leading autonomous institute in Mumbai – a one year post graduation qualification titled PGDBM (Tourism) – Post Graduate Diploma in Business Management (Tourism).

In addition, employee activities 'FUNZONE' are undertaken every month towards creating a fun and learning working environment and to enhance bonding.

We realize that the only sustainable competitive advantage in today's dynamic, challenging and rapidly changing context is human resources. Towards that, we are in the process of constantly energizing and revitalizing our 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 and in turn, facilitate the movement of Thomas Cook India **'From Good to Great'**.

### Employee Strength:

The financial year end employee strength was 2,349 including persons employed at Sri Lanka, Mauritius, TCI and in the insurance company.

### Employee Relations:

Peaceful and cordial relations continue with the employees. 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 Thomas Cook to gain the major market share and grow rapidly, as well as a challenge to maintain profitability and make itself more cost efficient.

**CAUTIONARY STATEMENT**

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

UDAYAN BOSE	—	CHAIRMAN
MADHAVAN MENON	—	MANAGING DIRECTOR

Mumbai  
Dated: 27th February, 2009

## Report of the Directors on Corporate Governance

### 1. Company's Philosophy on the code of Corporate Governance

Thomas Cook (India) Limited has been practising the principles of good Corporate Governance over the last few decades. 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.

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 Thomas Cook 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 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 ('Board'):

#### ***Composition of the Board***

The Board consists of twelve (12) members with three (3) Executive Directors and nine (9) Non-Executive Directors comprising of experts from various fields/ professions. The Chairman of the Board is an Independent & Non-Executive Director and is neither a promoter nor is related to promoters or persons occupying management positions at the Board level or at one level below the Board. The composition of the Board of Directors of the Company is in accordance with the provisions of Clause 49 of the Listing Agreement.

#### ***Board Meetings***

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Registered Office in Mumbai. The notice confirming the meeting and the detailed agenda is sent 10 days in advance to all the Directors. Senior Management of the Company is invited to attend the Board Meetings, to make presentations and provide clarifications as and when required. The Board meets at least once a quarter to review the quarterly performance and the financial results.

There were eight (8) Board Meetings held during the financial year ended 31st December, 2008, namely on 21st January, 2008, 7th March, 2008, 19th March, 2008, 30th March, 2008, 31st March, 2008, 28th April, 2008, 29th July, 2008 and 31st October, 2008, respectively.

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

Membership and Attendance of each Director at the Board of Directors' Meetings held during the year and the last Annual General Meeting and the number of other Directorship and Chairmanship/Membership of Board Committees as on 31st December, 2008:



Sr. No.	Name of the Director	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 [Excluding Thomas Cook (India) Limited] # #	
						Public	Private	Chairmanship	Membership
1.	Mr. Udayan Bose	I & NED	Chairman	8	Yes	7	4	1	1
2.	Mr. Manny Fontenla-Novoa <sup>§</sup>	NED	Director	1	No	—	—	—	—
3.	Dr. Angus Porter**	NED	Director	2	N.A.	—	—	—	—
4.	Dr. Juergen Bueser <sup>§</sup>	NED	Director	2	No	—	—	—	—
5.	Mr. Michael Hallisey <sup>§</sup>	NED	Director	4	Yes	—	—	—	—
6.	Mr. Roland Zeh <sup>§</sup>	NED	Director	4	Yes	—	—	—	—
7.	Mr. H. S. Billimoria	I & NED	Director	7	Yes	3	1	1	3
8.	Mr. A. V. Rajwade	I & NED	Director	7	Yes	6	2	3	3
9.	Mr. Dilip De	I & NED	Director	8	Yes	—	4	—	—
10.	Mr. Madhavan Menon	MD	Managing Director	8	Yes	4	1	1	—
11.	Mr. Vinayak K. Purohit	ED	ED – Finance	8	Yes	1	—	—	1
12.	Mr. Rakshit Desai ***	ED	ED – Travel Services	—	N.A.	—	—	—	—
13.	Mr. Sayanta Basu @@@	NED	Dy. Chairman	—	N.A.	—	—	—	—
14.	Mr. AbdulHakeem Kamkar @@@	NED	Director	1	N.A.	—	—	—	—
15.	Ms. Jacqueline Asher @@@	NED	Director	—	N.A.	—	—	—	—
16.	Mr. Mahendra V. Doshi @@@	I & NED	Director	3	N.A.	—	—	—	—
17.	Mrs. Bharati Rao @	I & NED	State Bank of India – Nominee	—	N.A.	—	—	—	—
18.	Mr. R. Sridharan @@	I & NED	State Bank of India – Nominee	1	No	—	—	—	—

\* ED – Executive Director      NED – Non-Executive Director      I – Independent Director      MD - Managing Director

§ Mr. Manny Fontenla – Novoa, Dr. Juergen Bueser, Mr. Michael Hallisey and Mr. Roland Zeh were appointed as an Additional Director on 30th March, 2008 and regularised at the Annual General Meeting held on 27th June, 2008.

\*\* Dr. Angus Porter was appointed as an Additional Director on 29th July, 2008.

\*\*\* Mr. Rakshit Desai was appointed as an Additional & Executive Director – Travel Services on 25th November, 2008.

@ Mrs. Bharti Rao who was appointed as Nominee Director of State Bank of India on 24th November, 2007 ceased to be a Director with effect from 10th April, 2008.

@ @ Mr. R. Sridharan was appointed as Nominee Director of State Bank of India on 28th April, 2008 in place of Mrs. Bharati Rao. He ceased to be a Director with effect from 14th July, 2008.

@ @ @ Mr. Sayanta Basu, Mr. AbdulHakeem Kamkar, Ms. Jacqueline Asher and Mr. Mahendra V. Doshi ceased to be Director as on 30th March, 2008.

# In Indian Companies, excluding Section 25 Companies.

# # In Audit, Recruitment & Remuneration and Share Transfer & Shareholders'/Investors' Grievance' Committee of Indian Companies.

The Board granted Leave of Absence to the Directors who were absent at the respective Board Meeting/s at their request.

#### **Details of Directors being appointed and re-appointed:**

As per the Companies Act, 1956 and the Articles of Association of the Company, two third of the directors are liable to retire by rotation. One third of these retiring directors are required to retire every year by rotation and if eligible, these directors qualify for re-appointment.

In accordance with Article 131 of the Articles of Association of the Company, Mr. Vinayak K. Purohit, Mr. Dilip De and Mr. Manny Fontenla – Novoa retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Further, Dr. Angus Porter was appointed as an Additional Director at the Board Meeting held on 29th July, 2008 and Mr. Rakshit Desai was appointed as an Additional Director vide a Circular Resolution of the Board of Directors dated 25th November, 2008 respectively whose appointments are proposed to be regularized at the ensuing Annual General Meeting of the Company.

A brief résumé of the Directors being appointed/re-appointed is as follows:

### 1. Mr. Vinayak K. Purohit

Mr. Vinayak K. Purohit, aged 53, is a Bachelor of Commerce and a Chartered Accountant. He was appointed as Executive Director–Finance on 14th May, 2007. He has 27 years of commendable experience in Finance, Controllershship, Treasury, Administration, Sourcing, Dealings (Back Office), which are his key areas of control in our Company. Previously he has worked in Nirlon, Britannia, Marico Industries, G E Countrywide, Rediff.com, BPL Telecom, Crest Animation and H.T. Media. As an Executive Director of our Company, he has the overall responsibility for the Finance and Controllershship functions, the management of the Treasury function as also overseeing the Administration, Sourcing & Dealings (Back Office) functions of our Company.

Mr. Purohit does not hold any shares in the Company. As on 31st December, 2008, he is a member of the Share Transfer & Shareholders'/Investors' Grievance Committee and Sub-Committee of the Board of the Company. His Directorship and Committee Memberships of other Companies in India, as on 31st December, 2008, are as follows:

Name of Body Corporate/Firm	Position	Committee Memberships	
		Committee	Position
Travel Corporation (India) Limited	Director	Sub-Committee	Member

### 2. Mr. Dilip De

Mr. Dilip De, Director, aged 67, is a businessman and currently the Chairman and Managing Director of RST India Private Limited, formerly known as Ranadip Shipping and Transport Co. Private Limited, Integrated Marketing Private Limited and De Shipping and Food Processing Private Limited. Mr. De started his career with an American Shipping Company – Everett Steamship Corporation after which he spent the next 12 years with the P & O Group, London. Mr. De has served on various Chambers of Commerce and Business Councils. He is the first Indian to receive the coveted recognition of Honorary Branch Pilot from the Port of Charleston, South Carolina, USA. Mr. De is a Vice-President of the prestigious Orchid Society of India, which is affiliated to the Ministry of Science and Technology, Dept. of Biotechnology, Government of India and the Punjab University. Mr. De has done his Senior Cambridge at La Martiniere School, Kolkata and read Bachelor of Commerce at St. Xavier's College, Kolkata. Mr. De was appointed on the Board of the Company w.e.f. 21st January, 2006.

Mr. Dilip De does not hold any shares in the Company. As on 31st December, 2008, he is a member of the Audit Committee of the Board of the Company. He does not hold any other Committee Memberships of any other Company in India. His Directorships of other Companies in India, as on 31st December, 2008, are as follows:

Name of Body Corporate/Firm	Position
RST India Private Limited	Chairman and Managing Director
Integrated Marketing Private Limited	Chairman and Managing Director
De Shipping & Food Processing Private Limited	Chairman and Managing Director
De Investment Private Limited	Chairman and Managing Director

### 3. Mr. Manny Fontenla-Novoa

Mr. Manny Fontenla-Novoa, aged 54, is the Group Chief Executive Officer for the Thomas Cook Group plc.

Thomas Cook Group plc was formed on 19th June, 2007 by the merger of Thomas Cook AG and MyTravel Group plc. The new company is one of the world's leading leisure travel groups with sales of around £8 billion (EUR 12 billion), 19 million customers, approximately 33,000 employees, a fleet of 97 aircraft, a network of over 3,000 owned or franchised travel stores and a number of hotels and resort properties.

The Group is organised around the following key areas: UK & Ireland; Continental Europe (Germany, Austria, Belgium, France, the Netherlands, Poland, Hungary, Slovenia and Slovakia); Northern Europe (Sweden, Norway, Denmark, Finland); North America (Canada and USA); Egypt and India; and German airlines operating under the Condor brand. The company's shares are listed on the London Stock Exchange.

Prior to his current role, Manny held the position of Group CEO, Thomas Cook AG and during his tenure, and as a member of the management board since November 2005, was instrumental in leading a business transformation programme that resulted in the Company achieving a significant €420m financial turnaround.

From January 2003 to December 2006, Manny held the position of CEO of Thomas Cook UK & Ireland. Under his leadership the company: became the most profitable travel company in the UK and achieved a five percent margin, considered the holy grail of tour operating; became the industry leader in the quality of service delivered to customers; and raised internal morale to its highest ever levels.

Manny joined Thomas Cook in 1996 following Thomas Cook's acquisition of Sunworld, which was then the UK's fourth largest tour operator. Manny was a founding director of Sunworld and was instrumental in developing this business during the 1990's. His career with Thomas Cook has included roles such as Managing Director, Retail Director, Tour Operations Director and under his leadership both businesses recorded record profits.

Manny's career in travel spans 30 years having started his working life with Thomas Cook at the age of 18 in the Company's printing department. Born in Galicia, Spain, Manny moved to the UK in 1965 at the age of 11.

Mr. Manny Fontenla-Novoa does not hold any shares in the Company. He also does not hold any Directorship or Committee Memberships of any other Company in India.

#### 4. **Dr. Angus Porter**

Dr. Angus Porter, aged 51, is Group Strategy Director of Thomas Cook Group plc, a role he took up in June 2008. Prior to this, Dr. Porter was Global CEO of Added Value, WPP's Brand Development Consultancy, with blue-chip clients including Vodafone, Pepsico and Nestle. Before Added Value, Angus worked for Abbey National, British Telecom and Mars in Senior Marketing, Sales and General Management roles, listing amongst his achievements the successful launches of Celebrations Chocolates and BT Broadband, and the re-launches of the BT and Abbey brands. Dr. Porter has previously served as a Non-Executive Director on the plc Board of MyTravel, Thomas Cook and Alliance & Leicester. Dr. Angus Porter was appointed as an Additional Director on the Board of Directors of Thomas Cook (India) Limited w.e.f. 29th July, 2008.

Dr. Angus Porter does not hold any shares in the Company. As on 31st December, 2008 he is a member of the Recruitment and Remuneration Committee of the Company. He does not hold any Directorship or Committee Memberships of any other Company in India as on 31st December, 2008.

#### 5. **Mr. Rakshit Desai**

Mr. Rakshit Desai, Executive Director – Travel Services, aged 33, is a Bachelor of Commerce (Sydenham College, Mumbai University), MBA in International Business (Graduate School of Management, Griffith University, Australia) and M.Sc. (Econ.) PWE (The London School of Economics & Political Science (LSE), London, UK. He was appointed as Executive Director – Travel Services with effect from 25th November, 2008. He started his career with a brief stint at Contract Advertising, Mumbai in 1998. He then joined Roland Berger Strategy Consultants, London in 2000 where he specialised in strategic and transformational issues for major multinational corporations. In 2003, he joined the Thomas Cook Group. At Thomas Cook, he has the privilege of engaging across a broad range of strategic, commercial and operational areas internationally. The successful restructuring and turnaround of the Canadian retail business led to a series of Director – level roles responsible for: the outsourcing and offshoring of the UK back office; leading the operations of thomascok.com; M&A in Financial Services; and lately membership of the UK Executive Board overseeing strategic planning, post-merger integration and general business transformation. He has worked and travelled extensively across Europe, the Middle East and North America.

Mr. Rakshit Desai does not hold any shares in the Company. He also does not hold any Directorships or Committee Memberships of any other company in India as on 31st December, 2008.

#### 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 Meeting.

**(i) Audit Committee:**

The Audit Committee was formed in August 1995 and has been reconstituted over the years as per the legal requirements from time to time. It consists of five (5) Non-Executive Directors of whom three (3) are independent as on 31st December, 2008.

The Audit Committee also invites at its meetings, senior executives including the Associate Vice-President – Business Process Improvement & Audit of the Company. The representatives of the auditors are also invited to the meetings. The President & Head – Legal & Company Secretary acts as the Secretary to the Committee.

**Terms of Reference**

The Audit Committee, *inter alia*, reviews and reports to the Board on the following:

- Appointment and remuneration of Statutory and Internal auditors
- Scope of Internal Audit
- Compliance with legal and statutory requirements
- Periodical and yearly financial results of the Company before submission to the Board.
- Effectiveness of systems and internal controls with reference to Foreign Exchange Management Act, 1999 (FEMA), International Association of Travel Agents (IATA) and other regulations

The powers and terms of reference of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement.

The Chairman of the Audit Committee attends the Annual General Meeting of the Company.

**Composition and attendance during the financial year ended 31st December, 2008:**

The Committee met five (5) times during the year under review. The said meetings were held on 21st February, 2008, 19th March, 2008, 28th April, 2008, 29th July, 2008 and 31st October, 2008 respectively.

Sr. No.	Name of Director	Designation	Category *	No. of meetings attended
1.	Mr. H. S. Billimoria **	Chairman	I & NED	4
2.	Mr. Dilip De	Member	I & NED	5
3.	Mr. A. V. Rajwade	Member	I & NED	3
4.	Dr. Juergen Bueser	Member	NED	1
5.	Mr. Roland Zeh	Member	NED	3
6.	Mr. Madhavan Menon	Managing Director	Invitee	N. A.
7.	Mr. Vinayak K. Purohit	Executive Director – Finance	Invitee	N. A.
8.	Mr. Sayanta Basu ***	Member	NED	—
9.	Ms. Jacqueline Asher ***	Member	NED	—

\* ED – Executive Director      NED – Non-Executive Director      I – Independent Director

\*\* Mr. H. S. Billimoria was present at the previous Annual General Meeting held on 27th June, 2008 in terms of Clause 49(II) of the Listing Agreement.

\*\*\* Mr. Sayanta Basu and Ms. Jacqueline Asher ceased to be Directors with effect from 30th March, 2008.

**(ii) Recruitment & Remuneration Committee:**

The Recruitment & Remuneration Committee was formed in August 1995 consisting of two Non-Executive Directors and two Executive Directors.

As per amended guidelines of the law, the Committee as on 31st December, 2008 comprises of 2 Non-Executive & Independent Directors and 1 Additional & Non-Executive Director.

## Terms of Reference

The Committee has the mandate to consider Human Resource Policies pertaining to the recruitment and selection of Directors and senior employees of the Company, particularly the ones pertaining to terms and conditions of employment, remuneration, retirement benefits, performance appraisals, key succession planning – and to make recommendations to the Board.

## Remuneration Policy

The Recruitment & 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 Recruitment & 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.

The shareholders approve the compensation of the Executive Directors for the entire period of their term. The compensation payable to each of the Independent Director is limited to a fixed percentage of profits per year as recommended by the Recruitment & Remuneration Committee. The aggregate of these is within the limit of 1% of the net profits of the Company for the year in respect of Non Executive Directors, calculated as per the provisions of the Companies Act, 1956, as approved by the shareholders, and is separately disclosed in the financial statements. 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. Further, in view of the scale and expertise required for the Company's business, the Company has paid sitting fees at the rate of Rs. 10,000 per meeting to the Non-Executive Independent Directors for attending the meetings of the Board, Audit Committee, Share Transfer & Shareholders'/Investors' Grievance Committee and Recruitment & Remuneration Committee constituted by the Board.

## Composition and attendance during the year ended 31st December, 2008:

The Committee met two (2) times during the year under review. The two (2) meetings were held on 7th March, 2008 and 10th July, 2008, respectively.

Sr. No.	Name of the Director	Designation	Category*	No. of meetings attended
1.	Mr. A.V. Rajwade	Chairman	I & NED	2
2.	Mr. Udayan Bose	Member	I & NED	2
3.	Dr. Juergen Bueser **	Member	NED	–
4.	Dr. Angus Porter **	Member	A & NED	–
5.	Mr. Sayanta Basu ***	Member	NED	–
6.	Mr. Madhavan Menon #	Member	ED	1

\* NED – Non Executive Director    I – Independent    A – Additional    ED – Executive Director

\*\* The Recruitment & Remuneration Committee was reconstituted on 31st October, 2008 due to which Dr. Angus Porter was included as a Member and Dr. Juergen Bueser ceased to be a Member of the Committee.

\*\*\* Mr. Sayanta Basu ceased to be a Director as on 30th March, 2008 and hence ceased to be a Member of the Committee.

# Mr. Madhavan Menon ceased to be a member of the Committee with effect from 31st October, 2008.

**Details of Remuneration to all the Directors for the financial year ended 31st December, 2008****Executive Directors**

Name of Director	Salary (Rs.)	Benefits (Rs.)	Bonus/ Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Madhavan Menon	5,641,089	10,018,415	1,310,000	–	16,969,504
Mr. Vinayak K. Purohit	3,494,324	11,056,476	1,060,000	–	15,610,800
Mr. Rakshit Desai	812,900	1,660,448	–	–	2,473,348
<b>Sub-Total (a)</b>	<b>9,948,313</b>	<b>22,735,339</b>	<b>2,370,000</b>	<b>–</b>	<b>35,053,652</b>

**Non-Executive Directors**

Name of Director	Salary (Rs.)	Benefits (Rs.)	Bonus/ Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Udayan Bose	–	–	659,158	240,000	899,158
Mr. H. S. Billimoria	–	–	659,158	360,000	1,019,158
Mr. A. V. Rajwade	–	–	659,158	380,000	1,039,158
Mr. Dilip De	–	–	659,158	130,000	789,158
Mr. Mahendra Doshi	–	–	162,088	30,000	192,088
SBI Nominee	–	–	329,579	10,000	339,579
<b>Sub-Total (b)</b>	<b>–</b>	<b>–</b>	<b>3,128,299</b>	<b>1,150,000</b>	<b>4,278,299</b>
<b>Total (Rs.) (a+b)</b>	<b>9,948,313</b>	<b>22,735,339</b>	<b>5,498,299</b>	<b>1,150,000</b>	<b>39,331,951</b>

- With effect from May 2005, Commission to the Executive Directors will be paid on the Return on Equity (ROE) formula.
- None of the Directors hold any shares in the Company as on 31st December, 2008.

**Details of Service Contracts, Notice Period, etc. of all the Directors for the financial year ended 31st December, 2008**

Name of Director	Service Contract	Period	Notice Period	Severance fees, if any
Mr. Madhavan Menon	Yes	1st May, 2006 to 30th April, 2009	3 months	As decided by the management
Mr. Vinayak K. Purohit	Yes	14th May, 2007 to 13th May, 2010	3 months	As decided by the management
Mr. Rakshit Desai	Yes	25th November, 2008 to 24th November, 2010	3 months	As decided by the management
Non-Executive Directors	No	None. The Non-Executive Directors liable to retire by rotation, get re-appointed as per the Companies Act, 1956	None	None

**(iii) Share Transfer & Shareholders' / Investors' Grievance Committee:****Terms of Reference**

The Share Transfer Committee was formed in 1996 consisting of three Executive Directors and three Non-Executive Directors to approve transfer of shares, splitting and consolidation of shares and issue of duplicate share certificates.

The Committee was renamed as the Share Transfer & Shareholders'/Investors' Grievance Committee in February, 2001. The Committee as on 31st December, 2008 comprises of five (5) Directors, of whom three (3) are Non-Executive Directors and two (2) are Executive Directors.

**Composition of the Committee and attendance during the financial year ended 31st December, 2008:**

Pursuant to Clause 49(VI) of the Listing Agreement, the Committee met twenty-six (26) times during the year under review i.e. once in a fortnight to approve matters related to Shares, etc.



Sr. No.	Name of the Director	Designation	Category*	No. of meetings attended
1.	Mr. H. S. Billimoria	Chairman	I & NED	23
2.	Mr. A. V. Rajwade	Member	I & NED	26
3.	Mr. Madhavan Menon	Member	ED	13
4.	Mr. Vinayak K. Purohit	Member	ED	22
5.	Mr. Udayan Bose	Member	I & NED	14

\* ED – Executive Director

NED – Non-Executive Director

I – Independent Director

**Name and Designation of Compliance Officer:**

Mr. R. R. Kenkare, President &amp; Head – Legal &amp; Company Secretary

**Number of shareholders complaints/ Correspondence received so far/ Number not solved to the satisfaction of shareholders/ Number of pending share transfers:****I. Correspondence Construed as Complaints**

Sr. No.	Nature of Complaint/ Query	Total Recd.	Total Replied	Pending Queries (Days)				Remarks, if any
				1-7	8-15	16-22	> 22	
(1)	Inquiry pertaining to non-receipt of shares sent for transfer	5	5	0	0	0	0	
(2)	Letters received from SEBI and other Statutory Bodies	0	0	0	0	0	0	
(3)	Loss of Shares	45	45	0	0	0	0	

**II. Other Correspondence**

Sr. No.	Nature of Complaint/ Query	Total Recd.	Total Replied	Pending Queries (Days)				Remarks, if any
				1-7	8-15	16-22	> 22	
(1)	Non Receipt of Interest/ Dividend warrants	1702	1702	0	0	0	0	
	(A) Warrant already paid	2	2	0	0	0	0	
	(B) Fresh cheques/demand drafts issued against time barred instruments and duplicate requests	1691	1691	0	0	0	0	
	(C) Reply sent giving warrant details (Reconciliation in process)	1	1	0	0	0	0	
	(D) Misc. queries in connection with payment	8	8	0	0	0	0	
(2)	Inquiry of dematerialisation of shares	0	0	0	0	0	0	
(3)	Name correction	2	2	0	0	0	0	
(4)	Change of address	63	63	0	0	0	0	
(5)	ECS/ Mandate Registration	23	23	0	0	0	0	
(6)	Split/ Consolidation/ Renewal/ Duplicate issue of share certificates	1	1	0	0	0	0	
(7)	Request for nomination forms	14	14	0	0	0	0	

Sr. No.	Nature of Complaint/ Query	Total Recd.	Total Replied	Pending Queries (Days)				Remarks, if any
(8)	Tax exemption forms received / updated	1	1	0	0	0	0	
(9)	Transmission of Securities	19	19	0	0	0	0	
(10)	Exchange/Sub-division of old shares	22	22	0	0	0	0	
(11)	Dividend/interest queries including request for changes on live warrants	146	146	0	0	0	0	
(12)	Document registration	42	42	0	0	0	0	
(13)	Queries related to Bonus issues	2	2	0	0	0	0	
(14)	Redemption	1	1	0	0	0	0	
(15)	Others (Miscellaneous)	143	143	0	0	0	0	
	<b>Total (I +II)</b>	<b>2231</b>	<b>2231</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**(iv) 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 as prescribed by the Companies Act, 1956. The scope of activities of the Sub-Committee was modified by the Board of Directors vide Circular Resolution dated 10th July, 2008. The Committee, as on 31st December, 2008, comprises of 2 Executive Directors.

**Composition**

The members of the Sub-Committee of the Board are:

Mr. Madhavan Menon – Managing Director

Mr. Vinayak K. Purohit – Member

**Attendance**

The Sub-Committee meets as and when required. During the year, the Committee met eight (8) times to review the operations of the Company.

Sr. No.	Name of the Director	Designation	Category*	No. of meetings attended
1.	Mr. Madhavan Menon	Chairman	ED	8
2.	Mr. Vinayak K. Purohit	Member	ED	8

\* ED – Executive Director      NED – Non-Executive Director      I – Independent Director

**(v) Management Committee of the Board:****Terms of reference**

The Board of Directors formed a Management Committee at its meeting held on 21st January, 2006 to handle day-to-day matters other than those specifically required to be decided by the Board of Directors as prescribed by the Companies Act, 1956. The Committee, comprising of 2 Executive Directors, was dissolved and merged into the Sub-Committee with effect from 31st March, 2008.

**Composition**

The members of the Management Committee of the Board were:

Mr. Madhavan Menon – Managing Director

Mr. Vinayak K. Purohit – Executive Director – Finance

## Attendance

During the year, the Management Committee met one (1) time to resolve certain matters related to day-to-day affairs of the Company.

Sr. No.	Name of the Director	Designation	Category*	No. of meetings attended
1.	Mr. Madhavan Menon	Member	MD	1
2.	Mr. Vinayak K. Purohit	Member	ED	1

\* MD – Managing Director      ED – Executive Director

## 4. Management Committees:

### (i) Group Leadership Team

A Group Leadership Team was formed in 2007 consisting of the Managing Director, Executive Director and Presidents of all business and functions. This is a strategic decision making body, and is responsible for evolving and executing a holistic business plan.

### (ii) 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.

### (iii) Risk Committee:

The Managing Director chairs the meetings of the Risk Committee and the Associate Vice President – Business Process Improvement & Audit acts as Rapporteur for this Committee. Other members of the Committee are the Executive Directors, the President & Head - Travel Businesses and the President & Head – Legal & Company Secretary. It meets quarterly to address the risk issues relating to various business 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 into the Audit Committee of the Company.

## 5. Committee for Issue and Allotment of Preference Shares:

The Board of Directors constituted a Committee of Directors on 21st January, 2008 for the purposes of issue and allotment of 1% Cumulative Non-Convertible Redeemable Preference Shares on a preferential basis and for Redemption of 4.65% Cumulative Non-Convertible Preference Shares chaired by Mr. H. S. Billimoria, Director.

## 6. Rights Issue Committees:

The Board of Directors constituted two Committees on 26th August, 2008 for the purposes of Rights Issue of Equity Shares, allotment, etc. viz. Rights Issue Committee 1 and Rights Issue Committee 2.

## 7. Other Qualitative Information:

### (i) Contribution to Society:

- The Company continues to be an active core committee member of the Heritage Mile Association, which seeks to conserve and enhance the architectural beauty of structures in the Hutatma Chowk to C.S.T. area in Mumbai.
- The Company supports NGOs such as Door Step School, V Care, Cancer Patients Aid Association, CRY, National Association of the Blind, in its efforts to support the underprivileged members of the society.
- The Company is committed to being a socially responsible corporate citizen by giving back to society in many ways. The Company has donated monetarily to various charity institutes as well as through clothes, food and other basic essentials required by the institutes. The staff have also spent time with the blind and underprivileged children in different cities as well as provided them with gifts and essential commodities that were required.

- The Company awarded a 'Thomas Cook Scholarship' to the "best" student of recognised Travel and Tourism Colleges /Universities. This award consisted of a Trophy and reimbursement of tuition fees to the student who scored the highest marks in the Travel & Tourism Course offered by a recognised University.
- The Company continues to promote Travel and Tourism related education by providing 'Vocational/On the Job' Training to students of the degree courses offered by various Universities.
- Centre of Learning, COL is an initiative from Thomas Cook (India) Limited to develop talent for the organization as well as for the industry. Several programmes have been conducted under this banner which has helped in creating talent pool for the Industry at large.

*Certificate Course in World Tour Management:* CCWTM is a three month part time programme, which enables the participant to join TCIL / other travel companies as Tour Managers. This programme was well received and year 2008 has seen an enrollment of 47 participants, most of them got placed in various travel companies as Tour Managers. This programme is a revenue generating model for TCIL as well as a service to the industry by creating a talent pool of Tour Managers.

*NMIMS – Thomas Cook – PGDBM (Tourism):* Thomas Cook (India) Limited in partnership with SVKM's (Shri Vile Parle Kelavani Mandal) NMIMS (Narsee Monjee Institute of Management Studies) University, a leading university, launched a one year programme in Business Management titled Post Graduate Diploma in Business Management (PGDBM-Tourism) specializing in Tourism. The MOU was signed on 24th April, 2008 with the objective of building up skilled manpower and develop sound managerial skills and competencies amongst the young professionals in the Tourism sector. The course aims to enhance the professional's ability to solve unstructured problems related to the field of tourism by applying management concepts thus bringing about a blend of managerial and technical capabilities. The first batch of PGDBM (Tourism) commenced on 4th September, 2008 enrolling 22 students.

- Thomas Cook (India) Limited has partnered the Times of India in the 'Teach India' campaign. The aim of Teach India is to provide a platform to the various members of society who, irrespective of their personal and professional standing, feel a strong desire to give back to society and to participate in building a nation based on more solidarity and justice – by providing basic education to the undereducated children and adults of India. A few of our employees have evinced interest and signed up for this initiative.

#### (ii) **Internal Policies / Codes adopted :**

The Company has devised various internal policies for administering and controlling the information being dispersed through the organisational hierarchy. These include the Information Systems Security Policy, Policy on Prevention of Insider Trading and Anti Money Laundering Policy. Moreover, the Company has formulated a Policy on Ethics and Integrity, which is binding on all the employees of the Company.

The policy on Prevention of Insider Trading is based on the model Policy devised by SEBI (Securities and Exchange Board of India) under SEBI (Prevention of Insider Trading) Regulations, 1992 as amended on 20th February, 2002 while the Policy on Ethics and Integrity puts down in detail the ethical values for each and every employee of the organisation. Other policies viz. Information Systems Security Policy and Anti Money Laundering Policy lay down the internal control procedures in the areas of information systems and money transactions, respectively.

The Company has also formulated a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is also put up on the Company's website: [www.thomascook.in](http://www.thomascook.in). An affirmation of the 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.

#### **8. Subsidiary Companies:**

Travel Corporation (India) Limited is a material non-listed subsidiary company of Thomas Cook (India) Limited. 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 subsidiary company 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.

**9. Annual General Meetings:**

Location and time where last three Annual General Meetings held:

Location	Date	Time
Rama Watumull Auditorium K. C. College, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020	28th March, 2006	3.30 p.m.
Rama Watumull Auditorium K. C. College, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020	25th June, 2007	3.30 p.m.
Rama Watumull Auditorium K. C. College, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020	27th June, 2008	3.30 p.m.

**Special resolutions passed at last three Annual General Meetings (AGM)**

1. 29th AGM held on 28th March, 2006:
  - a) Approving the variation in the terms and conditions of appointment of Mr. Madhavan Menon, a Whole-time Director.
  - b) Approving the variation in the terms and conditions of appointment of Mr. Robin Banerjee, a Whole-time Director.
2. 30th AGM held on 25th June, 2007: Approving the change of place where the Register of Members of the Company would be placed, pursuant to Section 163 of the Companies Act, 1956.
3. 31st AGM held on 27th June, 2008: Altering the Articles of Association of the Company pursuant to Section 31 of the Companies Act, 1956.

**10. Disclosures:**

- i) The Company does not have any related party transactions that may have any potential conflict with the interest of the Company at large.
- ii) The Company has complied with all the requirements of regulatory authorities on capital markets and no penalties, strictures have been imposed against it.
- iii) The Company has formulated a Policy on Ethics and Integrity, which is binding on all the employees of the Company and acts as a Whistleblower Policy and no personnel has been denied access to the Audit Committee.

**11. Means of communication:**

- The Unaudited Quarterly Financial Results of the Company to be published in the proforma prescribed by the Bombay Stock Exchange 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 one month of the close of the respective quarter except for the fourth quarter for which the financial results of the Company are approved and taken on record within three months of the end of the quarter. The approved results are forthwith sent to BSE & NSE as prescribed in the Listing Agreement. Further, the results in the prescribed proforma alongwith the detailed press release is published within 48 hours in the media ensuring wider publicity. As the audited annual results are published within the stipulated period of three months from the close of the financial year as required by the Listing Agreement with the Stock Exchanges, the unaudited results for the last quarter of the financial year are not published.
- Quarterly results are published in English and in Marathi in various newspapers. The Audited Financial Results of the Company are published in Free Press (English) & Navshakti (Marathi).
- Quarterly results have also been hosted on the Company's website [www.thomascook.in](http://www.thomascook.in).

- As per requirements of Clause 51 of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern, etc. is required to be provided to the special website [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in) within the timeframe prescribed in this regard. However, due to the change in the financial year of the Company not being updated by the site, the Company has been unable to upload the financial results of the Company on the special website. Also, due to certain technical issues on the website, the Company has also not been able to upload the shareholding pattern for the 4th quarter ended 31st December, 2008.
- All the official news releases and presentations on significant developments in the Company are hosted on Company's website and provided to the analysts and the press simultaneously.
- The Management Discussion and Analysis Report forms part of the Corporate Governance Report and is attached.

## 9. General Shareholder information:

<b>Annual General Meeting</b>	: 32nd Annual General Meeting
<b>Date</b>	: Thursday, 28th May 2009
<b>Time</b>	: 3.30 p.m.
<b>Venue</b>	: Y. B. Chavan Auditorium, Gen. Jaganath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021.
<b>Financial Year</b>	: 1st January, 2008 to 31st December, 2008
<b>Book Closure</b>	: Tuesday, 26th May, 2009 to Thursday, 28th May, 2009 (both days inclusive)
<b>Dividend payment date</b>	: 11th June, 2009
<b>Listing on Stock Exchanges</b>	: Bombay Stock Exchange Limited 1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Telephone: 022-2272 1233/34 Facsimile: 022-2272 1919/3027  National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Telephone: 022-2659 8100 - 14 Facsimile: 022-2659 8237/38
<b>Stock Code</b>	: Bombay Stock Exchange Limited Securities in – Physical Form No. 413 Electronic Form No. 500413 Scrip Name - THOMAS CK IN Scrip Id – THOMASCOOK  National Stock Exchange of India Limited Symbol – THOMASCOOK Series – EQ Scrip Name – THOMAS COOK
<b>ISIN</b>	: INE332A01027
<b>Market Price Data</b>	: High, Low and Volume (in shares) during each month for the financial year ended on 31st December, 2008

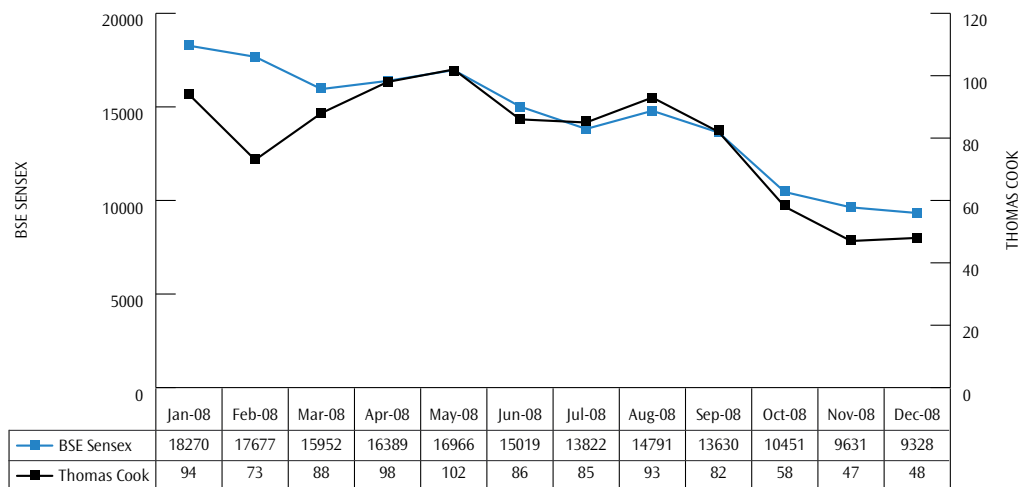
**The Bombay Stock Exchange Limited (BSE):**

Sr. No.	Month	High (Rs.)	Low (Rs.)	Volume (Shares)
1	January 2008	121.00	66.45	2,092,946
2	February 2008	83.45	62.50	743,765
3	March 2008	99.70	76.40	1,754,106
4	April 2008	102.00	94.00	730,616
5	May 2008	104.50	98.55	1,109,436
6	June 2008	103.00	69.15	316,040
7	July 2008	104.45	65.05	1,151,890
8	August 2008	105.90	79.55	5,284,760
9	September 2008	97.25	66.00	1,799,455
10	October 2008	75.45	40.05	341,513
11	November 2008	55.05	39.20	259,732
12	December 2008	56.70	39.00	802,038

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

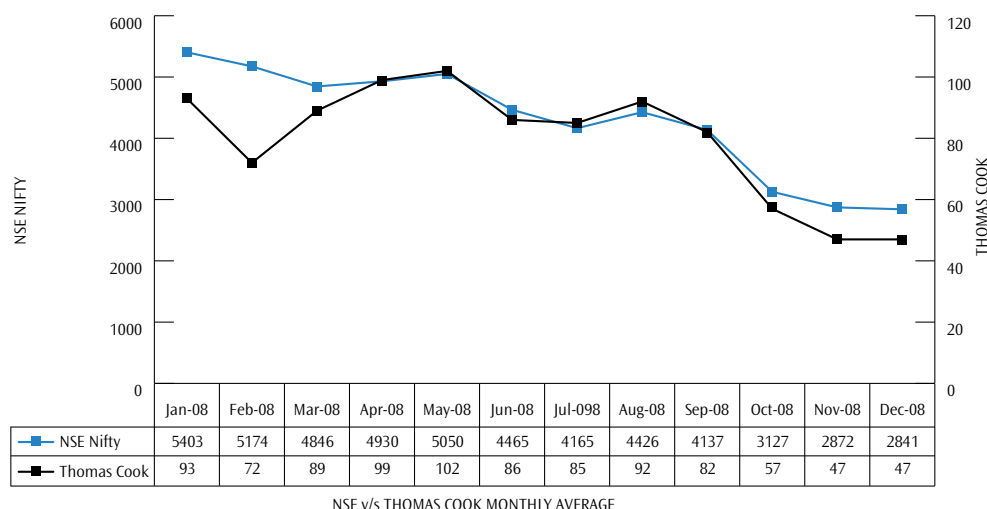
Sr. No.	Month	High (Rs.)	Low (Rs.)	Volume (Shares)
1	January 2008	119.80	65.30	3,434,224
2	February 2008	82.70	62.25	1,180,818
3	March 2008	102.25	76.15	2,271,681
4	April 2008	102.45	95.20	758,854
5	May 2008	105.00	99.05	2,109,804
6	June 2008	103.25	69.55	466,687
7	July 2008	104.45	65.15	1,857,695
8	August 2008	104.80	78.55	8,444,386
9	September 2008	97.30	66.35	3,012,056
10	October 2008	75.35	39.00	702,644
11	November 2008	55.00	39.50	327,076
12	December 2008	55.50	39.00	1,203,519

**Performance in comparison to broad-based indices such as BSE Sensex, Nifty Index etc.**

**Performance of TCIL Share Price vis-à-vis BSE Index**

BSE v/s THOMAS COOK MONTHLY AVERAGE



**Performance of TCIL Share Price vis-à-vis NSE Index**

**Registrar & Transfer Agents** : TSR Darashaw Limited,

6-10, Haji Moosa Patrawala Indl. Estate,  
20, Dr. E. Moses Road, Mahalaxmi,  
Mumbai - 400 011  
Tel No.: 91-22- 6656 8484  
Fax No.: 91-22- 6656 8494  
E-mail 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 205C of the Companies Act, 1956, an amount of Rs. 175,686 being unclaimed dividend and due for payment for the financial year ended 31st December, 2000, was transferred during the year to the IEPF established by the Central Government.

**Share Transfer System:**

Share Transfer is normally effected within a maximum period of 30 days from the date of receipt, if all the required documentation is submitted. All share transfers are approved by the Share Transfer & Shareholders'/Investors' Grievance Committee which meets every fortnight.

**I. (a) Distribution of Equity shareholding (as on 31st December, 2008):**

Range of Holding	No. of Shares	Amount (Rs.)	% to Capital	No. of Shareholders	% to Shareholders
1 TO 5000	10535874	10535874	6.55	23300	95.18
5001 TO 10000	4735739	4735739	2.95	682	2.79
10001 TO 20000	4615575	4615575	2.87	394	1.60
20001 TO 30000	1237854	1237854	0.76	52	0.21
30001 TO 40000	726609	726609	0.45	21	0.09
40001 TO 50000	218753	218753	0.14	5	0.02
50001 TO 100000	926525	926525	0.58	13	0.05
GREATER THAN 100000	137798941	137798941	85.70	14	0.06
<b>TOTAL</b>	<b>160795870</b>	<b>160795870</b>	<b>100.00</b>	<b>24481</b>	<b>100.00</b>

**(b) Categories of Shareholders (as on 31st December, 2008):**

Sr. No.	Shares held by	No. of shares held	Percentage of Shareholding
1	Foreign Holdings		
	a. Foreign Collaborators	120425965	74.89
	b. Foreign Institutional Investors	252182	0.16
	c. Overseas Corporate Bodies	9580010	5.96
	d. Other NRI's	313927	0.19
	<b>Total (a+b+c+d)</b>	<b>130572084</b>	<b>81.20</b>
2	Govt. /Govt. Sponsored Financial Institutions/ Nationalised Banks	13630	0.01
3	Foreign Banks	1210	0.00
4	Other Banks	0	0.00
5	Mutual funds	2946033	1.83
6	Insurance Companies	354475	0.22
7	Bodies Corporate	4641008	2.89
8	Directors & their Relatives	0	0.00
9	Trusts	1300	0.00
10	Other Resident Individuals	22266130	13.85
	<b>Grand Total (1+2+3+4+5+6+7+8+9+10):</b>	<b>160795870</b>	<b>100.00</b>

**(c) Dematerialisation of shares and liquidity:**

Status of dematerialisation as on 31st December, 2008:

Particulars	No. of shares	% to Capital	No. of Accounts
National Securities Depository Limited	153979814	95.76	17142
Central Depository Securities Limited	3164306	1.97	5889
Total Dematted (A)	157144120	97.73	23031
Physical (B)	3651750	2.27	1450
<b>Total (A + B)</b>	<b>160795870</b>	<b>100.00</b>	<b>24481</b>

**(d) Top 10 Shareholders (as on 31st December, 2008)**

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

Name(s) of Shareholders	Category (as per Depository)	Shares	% to Capital
Dubai Financial Group LLC	Foreign Bodies	9580010	5.96
Hotel Hans Private Limited	Bodies Corporate	2656770	1.65
UTI Master Value Fund	Mutual Funds	2284633	1.42
L K P Merchant Financing Limited	Bodies Corporate	949000	0.59
UTI – India Lifestyle Fund	Mutual Funds	385000	0.24
The Oriental Insurance Company Limited	Insurance Company	354475	0.22
Mr. Neeraj Batra	Resident Individual	300317	0.19
UTI – MID CAP FUND	Mutual Funds	270000	0.17
Pushpa Vadera	Resident Individual	206820	0.13
Infinity Trust Investments Private Limited	Bodies Corporate	141301	0.09
<b>Total</b>		<b>17128326</b>	<b>10.66</b>

**II. (a) Distribution of shareholding of Class 'B' Preference Shares (as on 31st December, 2008):**

Range of Holding	No. of Shares	Amount (Rs.)	% 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	319765	3197650	100.00	1	100.00
<b>Total</b>	<b>319765</b>	<b>3197650</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>

**(b) Distribution of shareholding of Class 'B' Preference Shares (as on 31st December, 2008):**

Sr. No.	Shares held by	No. of shares held	Percentage of Shareholding
1	Foreign Holdings		
	a) Foreign Collaborators	0	0.00
	b) Foreign Institutional Investors	0	0.00
	c) Overseas Corporate Bodies	0	0.00
	d) Other NRI's	0	0.00
	<b>Total (a+b+c+d)</b>	<b>0</b>	<b>0.00</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	319765	100.00
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>319765</b>	<b>100.00</b>

**(c) Dematerialisation of shares and liquidity:**

Status of dematerialisation as on 31st December, 2008:

Particulars	No. of shares	% to Capital	No. of Accounts
National Securities Depository Limited	319765	100.00	1
Central Depository Securities Limited	0	0.00	0
Total Dematted (A)	319765	100.00	1
Physical (B)	0	0.00	0
<b>Total (A + B)</b>	<b>319765</b>	<b>100.00</b>	<b>1</b>

**(d) Top 10 Shareholders (as on 31st December, 2008)**

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

Name(s) of Shareholders	Category (as per Depository)	Shares	% to Capital
LKP Merchant Financing Limited	Bodies Corporate	319765	100.00
<b>Total</b>		<b>319765</b>	<b>100.00</b>

**III. (a) Distribution of shareholding of Class 'C' Preference Shares (as on 31st December, 2008):**

Range of Holding	No. of Shares	Amount (Rs.)	% 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	271800	2718000	100.00	1	100.00
<b>TOTAL</b>	<b>271800</b>	<b>2718000</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>

**(b) Distribution of shareholding of Class 'C' Preference Shares (as on 31st December, 2008):**

Sr.No.	Shares held by	No. of shares held	Percentage of Shareholding
1	Foreign Holdings		
	a) Foreign Collaborators	0	0.00
	b) Foreign Institutional Investors	0	0.00
	c) Overseas Corporate Bodies	0	0.00
	d) Other NRI's	0	0.00
	Total (a+b+c+d)	0	0.00
2	Govt. /Govt. Sponsored Financial Institutions Nationalised Banks	0	0.00
	<b>Total</b>	<b>0</b>	<b>0.00</b>
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	271800	100.00
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>271800</b>	<b>100.00</b>

**(c) Dematerialisation of shares and liquidity:**

Status of dematerialisation as on 31st December, 2008:

Particulars	No. of shares	% to Capital	No. of Accounts
National Securities Depository Limited	271800	100.00	1
Central Depository Securities Limited	0	0.00	0
Total Dematted (A)	271800	100.00	1
Physical (B)	0	0.00	0
<b>Total (A + B)</b>	<b>271800</b>	<b>100.00</b>	<b>1</b>

**(d) Top 10 Shareholders (as on 31st December,, 2008)**

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

Name(s) of Shareholders	Category (as per Depository)	Shares	% to Capital
LKP Merchant Financing Limited	Bodies Corporate	271800	100.00
<b>Total</b>		<b>271800</b>	<b>100.00</b>

## IV. (a) Distribution of shareholding of Class '1%' Preference Shares (as on 31st December, 2008):

Range of Holding	No. of Shares	Amount (Rs.)	% 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	105000000	1050000000	100.00	3	100.00
<b>TOTAL</b>	<b>105000000</b>	<b>1050000000</b>	<b>100.00</b>	<b>3</b>	<b>100.00</b>

## (b) Distribution of shareholding of Class '1%' Preference Shares (as on 31st December, 2008):

Sr. No.	Shares held by	No. of shares held	Percentage of Shareholding
1	Foreign Holdings		
	a) Foreign Collaborators	0	0.00
	b) Foreign Institutional Investors	0	0.00
	c) Overseas Corporate Bodies	0	0.00
	d) Other NRI's	0	0.00
	Total (a+b+c+d)	0	0.00
2	Govt. /Govt. Sponsored Financial Institutions Nationalised Banks	0	0.00
	Total	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	105000000	100.00
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>105000000</b>	<b>100.00</b>

## (c) Dematerialisation of shares and liquidity:

Status of dematerialisation as on 31st December, 2008:

Particulars	No. of shares	% to Capital	No. of Accounts
National Securities Depository Limited	105000000	100.00	3
Central Depository Securities Limited	0	0.00	0
Total Dematted (A)	105000000	100.00	3
Physical (B)	0	0.00	0
<b>Total (A + B)</b>	<b>105000000</b>	<b>100.00</b>	<b>3</b>

**(d) Top 10 Shareholders (as on 31st December, 2008)**

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

<b>Name(s) of Shareholders</b>	<b>Category (as per Depository)</b>	<b>Shares</b>	<b>% to Capital</b>
IL AND FS TRUST CO LTD. - Credit Asset Trust Series XXXXIV	Bodies Corporate	15000000	14.29
IL AND FS TRUST CO LTD. - Credit Asset Trust Series XXXXII	Bodies Corporate	60000000	57.14
IL AND FS TRUST CO LTD. - Credit Asset Trust Series XXXXIII	Bodies Corporate	30000000	28.57
<b>Total</b>		<b>105000000</b>	<b>100.00</b>

*Class 'A' Preference Shares were redeemed on 29th January, 2008.***Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:****Convertible Preference Shares**

Outstanding Preference Shares as on 31st December, 2008 were 319765 Class 'B' 0.001 % Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each and 271800 Class 'C' 0.001 % Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each. As per the terms of issue of these shares, the Class 'B' 0.001 % Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each can be converted into an equivalent number of Equity Shares, if the EPS of the Company exceeds Rs.3.03 per share. Similarly, Class 'C' 0.001 % Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each can be converted into an equivalent number of Equity Shares, if the EPS of the Company exceeds Rs.3.64 per share.

**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 and Call Centre through its wide network across India and also at Sri Lanka.

**Address for correspondence** : Thomas Cook (India) Limited  
 Thomas Cook Building,  
 Dr. D. N. Road, Fort,  
 Mumbai - 400 001  
 Tele: (022) 6160 3333  
 Facsimile: (022) 2287 1069  
 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

Mumbai

Dated: 27th February, 2009

UDAYAN BOSE

MADHAVAN MENON

CHAIRMAN

MANAGING DIRECTOR

## Report of the Various Committees of the Board

---

### **Report of the Audit Committee to the Members of Thomas Cook (India) Limited:**

The Audit Committee of the Board consisted of the following members:

Mr. H. S. Billimoria  
 Mr. Dilip De  
 Mr. A. V. Rajwade  
 Dr. Juergen Bueser  
 Mr. Roland Zeh

Mr. R. R. Kenkare, President & Head – Legal & Company Secretary, acts as the Secretary of the Committee.

As per the requirement of the clause on Corporate Governance in the Listing Agreement as also the provisions of the Companies Act, 1956, the Audit Committee consists exclusively of Non-Executive Directors.

The Committee has, *inter alia*, overseen the Company's financial reporting system and the disclosure of financial information. The Committee reviewed the independence of both the internal and statutory auditors. The Committee also reviewed the reports of the Risk Management Committee. The internal controls put in place to ensure that the accounts of the Company are properly maintained and that prevailing laws and regulations are complied with were reported upon by the internal auditors and the statutory auditors to the Committee. Based on these reports, the Committee found no material discrepancy or weakness in the internal system of the Company.

The Committee recommended to the Board the re-appointment of M/s. Lovelock & Lewes, as statutory auditors of the Company for the year ended 31st December 2009. The Committee also recommends the appointment of internal auditors along with their scope of work.

Mumbai  
 27th February, 2009

HOSHANG S. BILLIMORIA  
 Chairman  
 Audit Committee

---

### **Report of the Share Transfer & Shareholders'/Investors' Grievance Committee to the Members:**

The Share Transfer & Shareholders'/Investors' Grievance Committee of the Board met 26 times during the year ended 31st December 2008. The Committee attended to share transfer formalities once in a fortnight as stipulated under Clause 49 of the Listing Agreement. The requisite quorum was present from among the following members of the Committee:

Mr. H. S. Billimoria  
 Mr. A. V. Rajwade  
 Mr. Udayan Bose  
 Mr. M. Menon  
 Mr. Vinayak K. Purohit



Mr. R. R. Kenkare, President & Head – Legal & Company Secretary, acts as the Secretary of the Committee.

The Share Transfer Committee was formed in 1996 consisting of three Executive Directors and three Non-Executive Directors with the mandate to approve transfer of shares, splitting and consolidation of shares, issue of duplicate share certificates and transmission of shares with or without legal representation. The Committee as of 31st December 2008 comprised of 3 Non-Executive Directors and 2 Executive Directors.

The Committee also took note of various shareholder correspondence and comments received directly by the Company and received by the Registrar & Share Transfer Agents viz. TSR Darashaw Limited and oversees redressal of the same.

No. of correspondence received	2231
No. of correspondence attended to	2231
No. of correspondence pending	—

Mumbai  
25th February, 2009

HOSHANG S. BILLIMORIA  
Chairman  
Share Transfer & Shareholders'/Investors' Grievance Committee

#### **Report of the Sub-Committee of the Board to the Members:**

The Sub-Committee of the Board met 8 times during the year ended 31st December 2008. The requisite quorum was present from among the following members of the Committee.

Mr. Madhavan Menon  
Mr. Vinayak K. Purohit

Mr. R. R. Kenkare, President & Head – Legal & Company Secretary, acts as the Secretary of the Committee.

The Board has delegated certain powers of routine nature required to effectively manage the day to day affairs of the Company. These are considered at length at the meetings of this Committee, which, while relieving the full Board from the burden of considering routine matters, also helps to effectively reduce the time to go ahead in the matters requiring Board approval.

The Sub-Committee presently consists of Mr. Madhavan Menon, Member and Mr. Vinayak K. Purohit, Member. The Sub-Committee meets once in a month or as and when required.

Mumbai  
24th February, 2009

VINAYAK K. PUROHIT  
Member  
Sub-Committee of the Board

**Report of the Recruitment & Remuneration Committee to the Members:**

The Recruitment & Remuneration Committee met 2 times during the year under review i.e. January to December 2008, and the requisite quorum was always present from among the following members of the Committee:

Name of the Director	Designation
Mr. A. V. Rajwade	Chairman
Mr. Udayan Bose	Member
Dr. Juergen Bueser (from 31/03/2008 to 31/10/2008)	Member
Mr. Angus Porter (w.e.f. 31/10/2008)	Member

Dr. D. Prasanth Nair, President & Head – Human Resources & Special Projects, was the Rapporteur of the Committee for all the meetings.

**Salaries:**

The Committee reviewed and approved the compensation payable to the Executive Directors of the Company for the year under review within the overall limits approved by the shareholders. Information on compensation and other benefits provided to Executive Directors is disclosed in the Annual Report. The Committee also approved the compensation for the Group Leadership Team. The Committee will endeavour to constantly benchmark the Compensation & Benefits payable to the Group Leadership Team in the Company with the market trends and will take necessary steps to enable motivation and retention of key talent.

The Committee reviewed the compensation proposals for the Group Leadership Team for the performance year January to December 2008 and approved the same.

**Non-Executive Directors:**

Non-Executive Directors are paid compensation not exceeding the limit specified by statute and based on the approval of the members of the Company. This is to compensate the Non-Executive Directors for their contribution on various deliberations at the meeting/s and also for the responsibilities undertaken.

The table below discloses the compensation payable to Non-Executive Directors for the period ended 31st December 2008 for Thomas Cook (India) Limited and its subsidiaries.

2008	Days	Rate	Amount (Rs.)
<b>Thomas Cook (India) Limited</b>			
Mr. Udayan Bose	366	11.2%	6,59,158
Mr. H. S. Billimoria	366	11.2%	6,59,158
SBI Nominee	183	5.6%	3,29,579
Mr. Mahendra Doshi	90	2.8%	1,62,088
Mr. Dilip De	366	11.2%	6,59,158
Mr. A.V. Rajwade	366	11.2%	6,59,158
<b>Total</b>		<b>53.2%</b>	<b>31,28,299</b>
<b>Travel Corporation (India) Limited</b>			
Mr. Pradip Madhavji	79	0.25%	5,910
Mr. H.S. Billimoria	366	0.05%	27,382
<b>Total</b>		<b>0.30%</b>	<b>33,292</b>

The following Directors of Thomas Cook (India) Limited, representing Dubai Group and Thomas Cook Group plc., have waived their entitlement to their share of the Commission:-

Mr. Sayanta Basu  
 Mr. Abdul Hakeem Kamkar  
 Ms. Jacqueline Asher  
 Mr. Manny Fontenla-Novoa  
 Dr. Angus Porter  
 Dr. Juergen Bueser  
 Mr. Roland Zeh  
 Mr. Michael Hallisey

The following Non-Executive Directors of Travel Corporation (India) Limited, have waived their entitlement to their share of the Commission:

Mr. Madhavan Menon  
 Mr. Vinayak K. Purohit  
 Mrs. Nalini Gupta

Save other than as disclosed, none of the Directors had a material beneficial interest in any contract of significance to which the Company or any of its subsidiary undertakings was a party, during the financial year.

Mumbai  
 27th February, 2009

A. V. RAJWADE  
 Chairman  
 Recruitment & Remuneration Committee

## Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement(s)

To the Members of Thomas Cook (India) Limited

1. We have examined the compliance of conditions of Corporate Governance by Thomas Cook (India) Limited (the company), for the year ended 31st December 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Mumbai  
 27th February, 2009

SHARMILA A. KARVE  
 Partner  
 Membership No. 43229

For and on behalf of  
 Lovelock & Lewes  
 Chartered Accountants

## CEO/CFO Certification pursuant to Clause 49 of the Listing Agreement(s)

---

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 2008 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.
- (e) We affirm that we have not denied any personal access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
- (f) We further declare that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the current year.

MADHAVAN MENON  
Managing Director  
Thomas Cook (India) Limited

Mumbai, 27th February, 2009

VINAYAK K. PUROHIT  
Executive Director – Finance  
Thomas Cook (India) Limited

Mumbai, 27th February, 2009

## AUDITORS' REPORT

### To the Members of Thomas Cook (India) Limited

1. We have audited the attached Balance Sheet of Thomas Cook (India) Limited, as at 31st December, 2008, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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 a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) The Company has considered Non Compete Fees paid during the financial year ended 31st December, 2007 as an allowable expenditure for the purpose of computing the provision for tax for the year ended 31st December, 2007 based on legal opinion (refer note 2(n) on Schedule Q);
  - (b) *Subsequent to the Annual General Meeting of the Company held on 27th June, 2008, the Company has appointed an Executive Director for a period of two years with effect from 25th November, 2008 and the Company has paid remuneration of Rs. 24.73 lakhs for the period. The appointment and remuneration of the said Executive Director is subject to the approval of the members in the general meeting and the Central Government of India for which an application has been made (refer note 2(o) on Schedule Q);*
  - (c) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (d) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from the Sri Lanka branch not visited by us;
  - (e) The report on the accounts of the Sri Lanka branch audited by the branch auditors has been forwarded to us and the same has been appropriately dealt with by us in preparing our report;
  - (f) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (g) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (h) On the basis of written representations received from the directors, as on 31st December, 2008 and taken on record by the Board of Directors none of the directors is disqualified as on 31st December, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
  - (i) In our opinion and to the best of our information and according to the explanations given to us, read with our comment in paragraph 4 (a) and subject to paragraph 4 (b) above, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2008;
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 27th February, 2009

## Annexure to the Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Thomas Cook (India) Limited on the financial statements for the year ended 31st December, 2008]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clauses (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable to the Company for the current year.
3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. There are no purchases of inventory and sale of goods. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
4. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act during the year that need to be entered in the register maintained under that section. Accordingly, clause (v)(b) of paragraph 4 of the Order is not applicable to the Company for the current year.
5. The Company has not accepted any deposits from the public within the meaning of Sections 58A & 58AA of the Act and the rules framed there under.
6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
7. (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 regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax, customs duty, cess and other material statutory dues as applicable with the appropriate authorities in India.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, customs duty and cess which have not been deposited on account of any dispute. The particulars of dues of income-tax and service tax as at 31st December, 2008 which have not been deposited on account of a dispute, are as follows –

## Annexure to the Auditors' Report

43

Name of the statute	Nature of dues	Amount Rupees	Year to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax on certain disallowances	46,922,228	Assessment year 1994-95 and 1996-1997	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax on certain disallowances	11,907,676	Assessment year 2005-06	Assistant Commissioner of Income Tax
Income-tax Act, 1961	Income-tax on certain disallowances	930,793	Assessment year 2005-06	Commissioner of Income Tax Appeal
Service Tax Rules, 1994	Service Tax	98,200,280	Financial Year 2003 to 2008	Various Levels from Commissioner to Deputy Commissioner Service Tax

8. The Company has no accumulated losses as at 31st December, 2008 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder.
10. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
13. In our opinion and according to the information and explanations given to us, the terms and conditions of a guarantee given by the Company, for the credit facilities extended by a bank to a wholly owned foreign subsidiary company during the year, are not prejudicial to the interest of the Company.
14. In our opinion, the Company has not obtained any term loans that were not applied for the purposes for which these were raised.
15. According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that the Company has used funds aggregating to Rs. 519,213,848 raised on short-term basis for long-term investment.
16. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
17. The Company has not issued any debentures.
18. During the year, the Company opened the rights issue of equity shares which opened on 31st December, 2008 and closed on 14th January, 2009. Since the issue was open as on 31st December, 2008, no disclosure regarding utilisation of the proceeds has been made.
19. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company, noticed or reported during the period, nor have we been informed of such case by the management. Frauds on the Company through misappropriation of assets aggregating to Rs. 7,251,682 by employees of the Company and other parties, were noticed and reported. The management has since recovered Rs. 4,047,146 of the total amount (refer note 2(t) on Schedule Q).
20. According to the information and explanations given to us and taking into consideration the nature of business of the Company, the matters specified in Clauses (ii) and (viii) of paragraph 4 of the Order are not applicable to the Company.

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 27th February, 2009



## Balance Sheet as at 31st December, 2008

	Schedule	As at 31st December, 2008		As at 31st December, 2007	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
SHAREHOLDERS' FUNDS					
Capital	A	1,216,711,520		1,199,537,980	
Reserves and Surplus	B	757,054,887		560,110,419	
			1,973,766,407		1,759,648,399
LOAN FUNDS					
Secured Loans	C	117,362		673,788	
Unsecured Loans	D	2,573,975,324		2,831,746,857	
			2,574,092,686		2,832,420,645
DEFERRED TAXATION (NET)					
Deferred Tax Liability	E	72,014,788		70,350,178	
Less: Deferred Tax Assets		39,471,045		36,903,131	
			32,543,743		33,447,047
Total			4,580,402,836		4,625,516,091
<b>APPLICATION OF FUNDS</b>					
FIXED ASSETS					
Gross Block	F	1,149,213,743		1,057,147,591	
Less: Depreciation		559,535,253		499,288,428	
Net Block		589,678,490		557,859,163	
Capital work-in-progress		10,423,630		37,707,642	
			600,102,120		595,566,805
INVESTMENTS	G		1,925,421,878		1,926,699,146
CURRENT ASSETS, LOANS AND ADVANCES					
Sundry Debtors	H	1,056,864,171		1,403,148,650	
Cash and Bank Balances	I	1,329,935,717		1,459,154,071	
Loans and Advances	J	871,710,202		773,287,914	
		3,258,510,090		3,635,590,635	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Liabilities	K	1,059,990,315		1,361,354,520	
Provisions	L	143,640,937		170,985,975	
		1,203,631,252		1,532,340,495	
NET CURRENT ASSETS			2,054,878,838		2,103,250,140
Total			4,580,402,836		4,625,516,091
Notes to the Financial Statements	Q				
Schedules "A" to "L" and "Q" referred to above					
form an integral part of the Balance Sheet.					

In terms of our report of even date

SHARMILA A. KARVE

Partner

Membership No. 43229

For and on behalf of

LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 27th February, 2009

For and on behalf of the Board

UDAYAN BOSE – CHAIRMAN

MADHAVAN MENON – MANAGING DIRECTOR

VINAYAK K. PUROHIT – EXECUTIVE DIRECTOR – FINANCE

RAKSHIT DESAI – EXECUTIVE DIRECTOR – TRAVEL SERVICES

R. R. KENKARE – PRESIDENT & HEAD – LEGAL &  
COMPANY SECRETARY

Mumbai, 27th February, 2009

## Profit and Loss Account for the year ended 31st December, 2008

	Schedule	Year ended 31st December, 2008 Rupees		Year ended 31st December, 2007 Rupees	
<b>INCOME</b>					
Turnover [Refer Note 2(m) of Schedule “Q”]		2,506,652,290		2,140,448,653	
Other Income	M	81,346,305		89,535,236	
			2,587,998,595		2,229,983,889
<b>Expenditure</b>					
Personnel Cost	N	835,702,157		656,768,803	
Advertisement and Business Promotion		111,521,588		166,772,045	
Other Expenses	O	670,395,981		626,840,869	
Interest and Other Finance Expenses (Net of Interest Income)	P	345,095,383		308,193,109	
Depreciation	F	88,810,200		78,557,255	
			2,051,525,309		1,837,132,081
<b>PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM</b>			536,473,286		392,851,808
Provision for Taxation					
Current Tax		187,000,000		71,800,000	
Fringe Benefit Tax		16,517,808		11,861,091	
Deferred Tax		(903,304)		(24,918,544)	
			202,614,504		58,742,547
<b>PROFIT AFTER TAXATION AND BEFORE EXCEPTIONAL ITEM</b>			333,858,782		334,109,261
Less: Exceptional Item [Refer Note 2(r) of Schedule “Q”]			31,896,150		—
Net profit			301,962,632		334,109,261
Add: Transfer from Reserve created under Section 80HHD of the Income-tax Act, 1961			17,500,000		13,000,000
			319,462,632		347,109,261
Balance brought forward from previous year			439,661,996		270,599,802
			759,124,628		617,709,063
<b>APPROPRIATIONS</b>					
Transfer to General Reserve			33,500,000		33,500,000
Proposed Dividend on Equity Shares [Refer Note 2(u) of Schedule “Q”]			79,292,463		80,391,165
Dividend on Preference Shares			3,815,848		—
Proposed Dividend on Preference Shares			9,696,780		43,158,617
Corporate Dividend Tax			15,772,226		20,997,285
Balance carried to Balance Sheet			617,047,311		439,661,996
			759,124,628		617,709,063
Earnings per Share – Basic before Exceptional Item			1.98		1.76
Earnings per Share – Basic after Exceptional Item			1.78		1.76
Earnings per Share – Diluted before Exceptional Item			1.91		1.71
Earnings per Share – Diluted after Exceptional Item			1.72		1.71
[Rs. per Equity Share of Re. 1 each] [Refer Note 2(k) of Schedule “Q”]					
Notes to the Financial Statements	Q				
Schedules “F” and “M” to “Q” referred to above form an integral part of the Profit and Loss Account.					

In terms of our report of even date

SHARMILA A. KARVE

Partner

Membership No. 43229

For and on behalf of

LOVELOCK &amp; LEWES

Chartered Accountants

Mumbai, 27th February, 2009

For and on behalf of the Board

UDAYAN BOSE

— CHAIRMAN

MADHAVAN MENON

— MANAGING DIRECTOR

VINAYAK K. PUROHIT

— EXECUTIVE DIRECTOR – FINANCE

RAKSHIT DESAI

— EXECUTIVE DIRECTOR – TRAVEL SERVICES

R. R. KENKARE

— PRESIDENT & HEAD – LEGAL &  
COMPANY SECRETARY

Mumbai, 27th February, 2009

## Schedules forming part of the Balance Sheet as at 31st December, 2008

	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
<b>SCHEDULE "A" : CAPITAL</b>		
Authorised		
345,827,060 Equity Shares of Re.1 each	345,827,060	345,827,060
114,760,000 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,147,600,000	1,147,600,000
355,294 'Class B' 0.001% Cumulative Convertible/Redeemable Preference Shares of Rs. 10 each	3,552,940	3,552,940
302,000 'Class C' 0.001% Cumulative Convertible/Redeemable Preference Shares of Rs. 10 each	3,020,000	3,020,000
125,000,000 ( <i>Previous Year Nil</i> ) 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,250,000,000	—
	<u>2,750,000,000</u>	<u>1,500,000,000</u>
Issued and Subscribed		
160,795,870 Equity Shares of Re. 1 each fully paid-up ( <i>Previous Year 160,782,330 Equity Shares of Re. 1 each fully paid-up</i> )	160,795,870	160,782,330
(87,500,000 Equity Shares are held by the holding company, TCIM Limited, UK)		
(32,925,965 Equity Shares are held by Thomas Cook UK Limited, the Holding Company of TCIM Limited, UK)		
Nil ( <i>Previous Year 103,284,000</i> ) 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	—	1,032,840,000
319,765 'Class B' 0.001% Cumulative Convertible/Redeemable Preference Shares of Rs. 10 each	3,197,650	3,197,650
271,800 'Class C' 0.001% Cumulative Convertible/Redeemable Preference Shares of Rs. 10 each	2,718,000	2,718,000
105,000,000 ( <i>Previous Year Nil</i> ) 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,050,000,000	—
	<u>1,216,711,520</u>	<u>1,199,537,980</u>
Of the above:		
(a) 2,799,930 Equity Shares were allotted pursuant to a contract without payment being received in cash.		
(b) 138,833,330 Equity Shares were allotted as fully paid-up bonus shares by capitalisation of General Reserve and Capital Reserve.		
(c) Following shares allotted to the erstwhile shareholders of LKP Forex Limited pursuant to its merger with the Company effective 1st April, 2006		
(i) 103,284,000 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each which were redeemed on 29th January 2008		
(ii) 319,765 'Class B' 0.001% Cumulative Convertible/Redeemable Preference Shares of Rs. 10 each		
(iii) 271,800 'Class C' 0.001% Cumulative Convertible/Redeemable Preference Shares of Rs. 10 each		
(iv) 14,949,000 Equity Shares of Re. 1 each		
Note: The Company has granted share options under the Company's Employees Stock Option Plan and share options outstanding as at 31st December, 2008 are 2,163,250 ( <i>Previous Year – 1,104,125</i> ). Of these 307,751 ( <i>Previous Year 368,042</i> ) option have vested in 2008, 721,083 ( <i>Previous Year 368,042</i> ) will vest in 2009, 721,083 ( <i>Previous Year 368,041</i> ) in 2010 and 413,333 ( <i>Previous Year Nil</i> ) in 2011. During the Year 13,540 options were exercised.		

## Schedules forming part of the Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE “B”: RESERVES AND SURPLUS</b>				
<b>Reserve as required under Section 80HHD of the Income-tax Act, 1961</b>				
Balance as per last Balance Sheet	47,500,000		60,500,000	
Less: Transfer to Profit and Loss Account	17,500,000		13,000,000	
		30,000,000		47,500,000
<b>General Reserve</b>				
Balance as per last Balance Sheet	71,978,161		38,478,161	
Add: Transfer from Profit and Loss Account	33,500,000		33,500,000	
		105,478,161		71,978,161
<b>Profit and Loss Account</b>		617,047,311		439,661,996
Share Premium				
Opening Balance	—		—	
Add: Received during the year	824,451		—	
Add: Transfer from Employee Stock Options	44,140		—	
Closing Balance		868,591		—
<b>Employee Stock Options</b>				
Opening Employee Stock Options Outstanding	970,262		—	
Add: Charge to Profit & Loss Account	2,734,702		970,262	
Less: Transfer to Share Premium Account	44,140		—	
Closing Employee Stock Options Outstanding		3,660,824		970,262
		757,054,887		560,110,419
<b>SCHEDULE “C”: SECURED LOANS</b>				
Finance Lease Liability		117,362		673,788
(Secured by charge on vehicles purchased)		117,362		673,788
<b>SCHEDULE “D”: UNSECURED LOANS</b>				
Short-term Loan from Banks		2,505,458,736		2,717,050,925
Bank Overdrafts		68,516,588		114,695,932
		2,573,975,324		2,831,746,857
<b>SCHEDULE “E”: DEFERRED TAXATION (NET)</b>				
Deferred Tax Liability				
On Fiscal Allowances on Fixed Assets		72,014,788		70,350,178
Less: Deferred Tax Assets				
On Provisions Allowable for tax purposes when paid	14,796,065		10,039,911	
On Provision for Doubtful Debts and Advances	15,717,468		13,924,592	
On Unamortised Expenditure	8,957,512		12,938,628	
		39,471,045		36,903,131
		32,543,743		33,447,047

## Schedule forming part of the Balance Sheet as at 31st December, 2008

### SCHEDULE "F" : FIXED ASSETS

(Rupees)

Description	Gross Block (at cost)			Depreciation/Amortisation				Net Block	
	As at 01.01.2008	Additions	Deductions	As at 31.12.2008	For the year	On Deductions	As at 31.12.2008	As at 31.12.2008	As at 31.12.2007
Intangible Assets									
Goodwill	8,831,169	-	-	8,831,169	-	-	8,831,169	-	-
Software	177,717,243	85,379,689	702,422	262,394,510	41,554,856	530,677	140,769,078	121,625,432	77,972,344
Tangible Assets									
Leasehold Properties	52,398,263	-	5,294,666	47,103,597	400,553	3,958,310	35,276,422	11,827,175	13,564,084
Freehold Properties	205,217,424	-	-	205,217,424	3,345,044	-	40,117,732	165,099,692	168,444,736
Strong Room	674,425	-	-	674,425	14,633	-	585,735	88,690	103,323
Furniture and Fittings	214,852,239	26,232,241	13,575,768	227,508,712	13,861,551	5,809,964	93,710,224	133,798,488	129,193,602
Computers	191,658,812	12,833,076	12,926,407	191,565,481	15,812,945	12,560,075	155,730,868	35,834,613	39,180,814
Office Equipment	175,316,730	10,050,758	4,750,809	180,616,679	9,981,975	1,886,555	67,873,234	112,743,445	115,538,916
Vehicles	30,481,286	-	5,179,540	25,301,746	3,838,643	3,817,794	16,640,791	8,660,955	73,861,344
Total	1,057,147,591	134,495,764	42,429,612	1,149,213,743	88,810,200	28,563,375	559,535,253	589,678,490	557,859,163
Previous Year	1,001,031,143	140,145,121	84,028,673	1,057,147,591	78,557,255	26,818,426	499,288,428	557,859,163	

Notes:

- Intangible Assets are other than internally generated.
- Cost of Freehold Properties includes:
  - 75 (Previous Year - 75) unquoted fully paid-up Shares of Rs. 4,000 (Previous Year Rs. 4,000) in various Co-operative Societies.
  - Share application money of Rs. 2,040 (Previous Year Rs. 2,040) to various Co-operative Societies.
  - Premises of Rs. 12,098,500 (Previous Year Rs. 15,431,718) on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.
  - Premises of Rs. 144,506,670 (Previous Year Rs. 144,506,670) where the Co-operative Society is yet to be formed.
- Gross block & Net block of vehicles includes Rs. 1,643,720 (Previous Year Rs. 2,063,171) and Rs. 982,404 (Previous Year Rs. 1,522,621) respectively in respect of vehicles acquired under Finance Leases.

## Schedules forming part of the Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE “G”: INVESTMENTS</b>				
(Unquoted unless otherwise stated)				
Long-term (at cost)				
In Subsidiary Companies				
- 50,000 fully paid-up Equity Shares of Rs. 10 each of Thomas Cook Insurance Services (India) Limited	500,000		500,000	
- 50,000 fully paid-up Equity Shares of Rs. 10 each of Indian Horizon Travel and Tours Limited	500,000		500,000	
- 50,000 fully paid-up Equity Shares of Rs. 10 each of Thomas Cook Tours Limited	500,000		500,000	
- 1,655,500 fully paid-up Equity Shares of USD 1 each of Thomas Cook (Mauritius) Holding Company Limited	73,248,730		73,248,730	
- 1,576,698 fully paid-up Equity Shares of Rs. 10 each of Travel Corporation (India) Limited	1,848,427,470		1,848,427,470	
		1,923,176,200		1,923,176,200
In fully paid-up Ordinary Shares – Trade				
- 393,662 ( <i>Previous Year 196,831</i> ) fully paid-up Ordinary Shares of SLR 10 each of Tangerine Beach Hotel Limited - Quoted		1,279,624		1,279,624
- Nil ( <i>Previous Year 1,222</i> ) fully paid-up Class AP Common Stock of USD 0.0001 each of Visa Inc.*		–		2,200,000
- 676 ( <i>Previous Year Nil</i> ) fully paid-up Class C (Series I) Common Stock of USD 0.0001 each of Visa Inc.*		962,589		–
*(During the year 1,222 Class AP Common Stock have been converted to 1,545 Class C Common Stock. Out of 1,545 Class C Common Stock allotted during the year, 869 Class C Common stock have been redeemed.)				
In fully paid-up Ordinary Shares – Non Trade				
- 10 ( <i>Previous Year 100</i> ) fully paid-up Equity Shares of Rs. 10 each of JIK Industries Limited – Quoted		18,000		18,000
- 100 fully paid-up Equity Shares of Rs. 10 each of Weizmann Limited – Quoted		2,000		2,000
In fully paid-up Debentures – Trade				
Zero coupon fully paid-up Redeemable Debentures of SLR 100 each of Tangerine Beach Hotel Limited		–		39,857
		1,925,438,413		1,926,715,681
Less: Provision for diminution in value of investment		16,535		16,535
		1,925,421,878		1,926,699,146
Aggregate amount of Quoted Investments		1,283,089		1,283,089
Aggregate amount of Unquoted Investments		1,924,138,789		1,925,416,057
		1,925,421,878		1,926,699,146
Aggregate Market Value of Quoted Investments		4,688,569		2,114,206

## Schedules forming part of the Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "G" (Contd.)</b>		<u>Units</u>		<u>Units</u>
Investments purchased and sold during the previous year				
- Units of Rs. 10 each of Birla Mutual Fund – Birla Cash Plus - Institutional Premium – Daily Dividend		–		49,912,137
- Units of Rs. 10 each of Deutsche Mutual Fund – Deutsche Insta Cash Plus Fund – Institutional Plan – Daily Dividend		–		60,397,432
- Units of Rs. 10 each of Grindlays Mutual Fund - Grindlays Cash Fund - Super Institutional Plan C – Daily Dividend		–		11,001,585
- Units of Rs. 10 each of LIC Mutual Fund – LIC Mutual Fund Liquid Fund - Dividend Plan		–		8,197,752
- Units of Rs. 10 each of SBI Mutual Fund – Magnum Institutional Income – Savings – Dividend		–		13,958,355
- Units of Rs. 10 each of Prudential ICICI Mutual Fund - Prudential ICICI Liquid Plan – Institutional Plus – Daily Dividend		–		55,009,402
- Units of Rs. 10 each of Principal Mutual Fund - Principal Cash Management Fund Liquid Option - Institutional Premium Plan – Daily Dividend		–		75,011,154
<b>SCHEDULE "H": SUNDRY DEBTORS</b>				
Unsecured, Considered Good				
Outstanding exceeding six months	70,705,496		116,743,103	
Others	986,158,675		1,286,405,547	
		1,056,864,171		1,403,148,650
Unsecured, Considered Doubtful				
Outstanding exceeding six months	36,533,133		31,282,610	
Less: Provision for Doubtful Debts	36,533,133		31,282,610	
		-		-
		1,056,864,171		1,403,148,650



## Schedules forming part of the Balance Sheet as at 31st December, 2008

51

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "I": CASH AND BANK BALANCES</b>				
Cash and Cheques on Hand		461,178,784		333,469,732
(including Foreign Currencies – Notes and paid documents)				
Remittances in Transit		487,851,191		625,441,664
(including Foreign Currencies – Notes and paid documents)				
Balances with Scheduled Banks				
On Current Accounts	313,709,191		353,620,141	
On Deposit Accounts	10,764,650		18,912,062	
(on lien with various authorities)		324,473,841		372,532,203
Balances with Non-Scheduled Banks				
On Current Accounts				
Credit Suisse, Zurich, Switzerland	–		7,131,896	
(maximum balance during the year Rs.15,701,068 – Previous Year Rs. 20,421,824)				
Deutsche Bank AG, Frankfurt, Germany	26,202,462		110,497,564	
(maximum balance during the year Rs.205,882,145 - Previous Year Rs. 350,199,553)				
Bank of Nova Scotia, Canada	–		7,877,527	
(maximum balance during the year Rs. 41,335,826 - Previous Year Rs. 53,783,096)				
ANZ National Bank Limited, New Zealand	4,321,121		–	
(maximum balance during the year Rs. 8,496,551 - Previous Year Rs. 6,998,433)				
ANZ National Bank Limited, Australia	23,470,091		–	
(maximum balance during the year Rs. 51,981,676 Previous Year Rs. 6,998,433)				
Commercial Bank, Sri Lanka	–		1,072,067	
(maximum balance during the year Rs.7,921,448 - Previous Year Rs. 9,293,973)				
Standard Chartered Grindlays Bank, Sri Lanka	763,283		–	
(maximum balance during the year Rs.14,168,935 - Previous Year Rs. 1,418,955)				
NDB Bank, Sri Lanka	611		–	
(maximum balance during the year Rs. 123,928 - Previous Year Rs 349,011)				
	54,757,568		126,579,054	
On Deposit Accounts				
NDB Bank, Sri Lanka	1,674,333		1,131,418	
(maximum balance during the year Rs.1,718,402 - Previous Year Rs. 1,131,418)				
		56,431,901		127,710,472
		1,329,935,717		1,459,154,071

## Schedules forming part of the Balance Sheet as at 31st December, 2008

	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
<b>SCHEDULE “J”: LOANS AND ADVANCES</b>		
(Unsecured, Considered Good unless otherwise stated)		
Advances to Subsidiary Companies	1,080,726	28,344,168
Advances recoverable in cash or in kind or for value to be received		
Considered Good	644,437,300	513,391,849
Considered Doubtful	9,661,576	9,711,576
	654,098,876	523,103,425
Less: Provision for Doubtful Advances	9,661,576	9,711,576
	644,437,300	513,391,849
Tax Payments less Provisions	226,192,176	231,551,897
	<u>871,710,202</u>	<u>773,287,914</u>
<b>SCHEDULE “K”: LIABILITIES</b>		
Sundry Creditors other than Micro and Small Scale Business Entities* [Refer Note 2(d) of Schedule “Q”]	937,084,861	1,177,695,089
Payable to Subsidiary Companies	8,741,014	8,362,523
Balance Purchase Consideration for Acquisition of Sri Lanka Branch Operations	4,802,000	4,802,000
Advance Payments from Customers for which value is still to be given (including Travellers Cheques, Drafts and Transfers Unpaid)	77,079,478	137,105,394
Unpaid Dividend@	2,079,861	2,298,131
Interest accrued but not due	14,154,915	18,100,360
Fractional Entitlement on Bonus Shares Refund Accounts	49,066	49,066
Other Liabilities	15,999,120	12,941,957
	<u>1,059,990,315</u>	<u>1,361,354,520</u>
*Includes Book Overdrafts aggregating to Rs. 282,833,361 (Previous Year Rs. 591,062,226).		
@There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
<b>SCHEDULE “L”: PROVISIONS</b>		
Proposed Dividend	79,292,463	80,391,165
Proposed Preference Dividend	9,696,780	43,158,617
Corporate Dividend Tax	15,123,720	20,997,285
Provision for Leave Encashment	6,128,264	5,195,825
Provision for Gratuity	33,399,710	21,243,083
	<u>143,640,937</u>	<u>170,985,975</u>

## Schedules forming part of the Profit and Loss Account for the year ended 31st December, 2008

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
<b>SCHEDULE "M": OTHER INCOME</b>		
Dividend on Current Investments – Non Trade	2,682	459,324
Rent	842,874	377,632
Profit on Sale of Fixed Assets (Net)	—	38,969,098
Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers	8,549,581	8,221,424
Profit on Redemption of Long-term Investments	358,368	22,637
Liabilities no longer required written back	66,884,883	37,958,494
Miscellaneous Income	4,707,917	3,526,627
	81,346,305	89,535,236
<b>SCHEDULE "N": PERSONNEL COST</b>		
Salaries, Wages and Bonus *	608,265,829	460,228,053
Contribution to Provident and Other Funds	47,368,802	39,787,779
Premium on/Provision for Gratuity-cum-Life Assurance Policy	21,561,032	18,160,358
Staff Welfare Expenses	86,700,723	64,281,710
Staff Training, Recruitment and Other Costs	20,408,964	24,460,903
Incentive/Commission to Staff and Directors	51,396,807	49,850,000
	835,702,157	656,768,803

\* Includes Rs. 2,734,702 (Previous Year - Rs. 970,262) on account of discounting charges on Employee Stock Options.

## Schedules forming part of the Profit and Loss Account for the year ended 31st December, 2008

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "O": OTHER EXPENSES</b>				
Rent		165,905,851		173,623,240
Rates and Taxes		3,354,222		3,513,931
Insurance		13,283,653		8,815,215
Repairs and Maintenance				
Buildings	651,260		348,718	
Others	54,965,593		44,470,014	
		55,616,853		44,818,732
Electricity		33,080,783		32,432,863
Printing and Stationery		22,116,955		20,040,659
Postage, Telegrams, Telex and Telephones		75,075,489		69,390,608
Freight Currency Shipment		23,127,339		16,564,572
Legal and Professional Charges		98,954,896		76,489,428
Auditors' Remuneration				
Audit Fees	4,500,000		4,750,000	
Reports under the provisions of the Income-tax Act, 1961	2,750,000		2,500,000	
Miscellaneous Reports	98,500		15,000	
Reimbursement of Expenses	203,951		119,665	
	7,552,451		7,384,665	
Branch Auditors' Remuneration - Audit Fees	282,122		212,161	
		7,834,573		7,596,826
Travelling and Conveyance		69,526,961		62,644,122
Directors' Fees		1,150,000		1,280,000
Security Services		20,453,207		17,072,803
Vehicle Running and Maintenance		26,522,281		29,646,694
Licence Fees		17,548,263		15,543,692
Loss on Sale of Fixed Assets (Net)		10,747,567		-
Bad Debts and advances written off		200,436		20,885,315
Provision for Doubtful Debts (Net)		5,711,498		12,753,016
Donations		683,743		166,115
Miscellaneous Expenses		19,501,411		13,563,038
		670,395,981		626,840,869
<b>SCHEDULE "P": INTEREST AND OTHER FINANCE EXPENSES</b>				
Interest				
Short-term Loans from Banks	261,654,248		265,400,618	
Bank Overdrafts	37,871,346		14,502,000	
	299,525,594		279,902,618	
Other Finance Expenses	50,661,628		37,841,873	
		350,187,222		317,744,491
Less: Interest Income				
Bank Deposits	5,015,383		6,578,033	
On Deposits with Banks (Gross) [Tax Deducted at Source Rs. 370,522 (Previous Year - 148,533)]				
Income Tax refund	29,963		2,797,466	
Others	46,493		175,883	
		5,091,839		9,551,382
		345,095,383		308,193,109

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE “Q” : NOTES TO THE FINANCIAL STATEMENTS

#### 1. Significant Accounting Policies

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of ‘The Companies Act, 1956’ of India (the ‘Act’). The significant accounting policies are as follows -

(a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

(b) Fixed Assets and Depreciation

(i) The gross block of fixed assets is stated at the purchase price of acquisition of such fixed assets including any attributable cost for bringing the asset to its working condition for its intended use.

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

Description of Asset	Rate of Depreciation
Software	25%
Computers	25%
Office Equipment – VSAT and Communication Router	10%
Vehicles	15%

Fixed assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

(iii) Leasehold properties are amortised over the period of the lease.

(c) (i) Foreign Currency Transactions

All the monetary items denominated in foreign currency are valued at the Foreign Exchange Dealers Association of India rate (FEDAI) (except for Sri Lanka branch) and the exchange variations arising out of settlement/conversion at the FEDAI rate are recognised in the Profit and Loss Account.

Monetary items of Sri Lanka branch are valued at closing rates obtained from HSBC, as the daily buying and selling rates are set on rates obtained from them.

Profit or loss on purchase and sale of foreign exchange by the Company in its capacity as authorised dealer are accounted as a part of the turnover.

(ii) Foreign Branch

Monetary assets and liabilities are translated at the closing exchange rates.

Non monetary assets are translated at the exchange rates prevailing on the date of the transaction.

Revenue items except depreciation are translated at average rate.

Depreciation is translated at the rates used for the translation of respective fixed assets.

(d) Investments

Long-term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of Long-term Investments. Current Investments are stated at lower of cost or fair value.

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

#### (e) Retirement Benefits

Contributions to Defined Contribution schemes such as provident fund and superannuation are charged to the profit and loss account as incurred. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

Contributions to gratuity and superannuation schemes are based on the premium contributions called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an agreement for its Indian operations. Any short fall/excess based on independent actuarial valuation is accounted for in the relevant period.

The Company provides for leave encashment benefits on the basis of valuations, as at the balance sheet date, made by independent actuaries.

Retirement benefits of Sri Lanka branch are provided for on the basis of the local laws.

#### (f) Employee Stock Option plan

Stock options granted to the employees under the stock option schemes established after 19th June, 1999 are evaluated as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to profit and loss account on graded vesting period of the options.

#### (g) Turnover

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

#### (h) Revenue Recognition

Commission on tickets and service charges from customers are recognised on issue of the tickets. Incentive from airlines are accounted on the basis of tickets issued to sectors travelled.

Revenue on foreign exchange transactions is recognised at the time of purchase and sale.

Revenue on holiday packages is recognised on proportionate basis considering the actual number of days completed as at the year end to the total number of days for each tour.

Revenue from other income is accounted on accrual basis.

#### (i) Leases

Assets acquired under finance lease arrangements are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals are allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Lease rentals in respect of operating lease arrangements are charged to the Profit and Loss Account.

#### (j) Taxes on Income

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year.

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

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

#### 2. Notes to the Accounts

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,153,730 (*Previous Year Rs. 4,826,034*).

	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
(b) Contingent Liabilities		
(i) Claims against the Company not acknowledged as debts:		
- Demand from Bombay Electricity Supply and Transport (BEST) for Electricity	1,961,083	1,961,083
- Disputed Demand from DGFT, Mumbai under EPCG Licence	13,789,235	13,789,235
(ii) Disputed Income-tax Demands	68,248,295	7,485,557
(iii) Disputed Service Tax Demands	98,200,280	—
(iv) Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation	33,076,960	33,076,960
(v) Corporate Guarantee given to a bank for the credit facilities extended by the said bank to Thomas Cook (Mauritius) Operations Company Limited	73,065,000	59,122,500

#### Note:

Future cash outflows in respect of (i) to (iv) above are determinable only on receipt of judgements/decisions pending with various forums/authorities. Future cash outflows in respect of (v) above are determinable only in the event of invocation of the guarantee consequent to default, if any, in repayment of dues to the bank by Thomas Cook (Mauritius) Operations Company Limited.

- (c) The tax year for the Company being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31st March, 2008 and the provision based on the figures for the remaining nine months up to 31st December, 2008, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2008 to 31st March, 2009.

- (d) Micro and Small Scale Business Entities

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at 31st December, 2008. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

SCHEDULE "Q" (contd.)	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
(e) Managerial Remuneration under Section 198 of the Act to Whole-time Directors (excluding gratuity contributed for the company as a whole)				
Salaries		9,948,313		6,511,908
House Rent Allowance/Perquisite		5,490,504		2,997,604
Commission/Bonus		2,370,000		5,270,000
Contribution to Provident and Other Funds		2,564,115		1,758,215
Perquisites in cash and in kind		14,680,720		9,854,971
		35,053,652		26,392,698
Commission to Non Executive Directors		3,128,299		2,601,220
		38,181,951		28,993,918
Directors' Fees		1,150,000		1,280,000
Note: The appointment of Executive Director and his remuneration of Rs. 2,473,348 for the period 26th November, 2008 to 31st December, 2008 are subject to approval of members at the forthcoming Annual General Meeting.				
Computation of net profits in accordance with Section 198 read with Section 309(5) of the Act				
Profit before Taxation and Exceptional item as per Profit and Loss Account		536,473,286		392,851,808
Add: Remuneration to Directors	38,181,951		28,993,918	
Directors' Fees	1,150,000		1,280,000	
Depreciation as per Profit and Loss Account	88,810,200		78,557,255	
Loss on Sale of Fixed Assets (Net) as per Profit and Loss Account	10,747,567		—	
Profit on Sale of Fixed Assets as per Section 350 of the Act	171,472		10,053,170	
		139,061,190		118,884,343
		675,534,476		511,736,151
Less: Depreciation as per Section 350 of the Act	67,223,741		60,720,969	
Loss on Sale/write off of Fixed Assets as per Section 350 of the Act	12,961,393		10,256,591	
Profit on Sale of Fixed Assets (Net) as per Profit and Loss Account	—		38,969,098	
Profit on Sale of Investments (Net) as per Profit and Loss Account	358,368		22,637	
		80,543,503		109,969,295
Net Profit		594,990,973		401,766,856
Commission to Non-Executive Directors @ 1%		5,949,910		4,017,669
Salary & Commission to Executive Directors @10%		59,499,097		40,176,686
Commission payable to Directors, restricted by the Board of Directors to		3,128,299		2,601,220
(f) Expenditure in Foreign Currency (Other than in normal course of the business as foreign exchange authorised dealers)				
Interest and Bank Charges		32,849,136		21,290,389
Licence fees		16,548,263		15,543,692
Travelling, Subscription and Others		10,522,099		7,997,064
Professional Fees		269,102		1,058,792



## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

SCHEDULE "Q" (contd.)	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
(g) Remittance of Dividend to Non-resident Shareholders		
Number of Shareholders	3**	2*
Number of Equity Shares held	99,334,610	99,334,610
Amount remitted	49,667,305	49,667,305
Year/Period to which the dividend related	31st December, 2007	31st December, 2006
* TCIM Limited, UK & Dubai Financials LLC.		
** TCIM Limited, UK, Thomas Cook UK Limited & Dubai Financial LLC		
(h) Earnings in Foreign Exchange (Excluding reimbursement of expenses and receipts in foreign currency of foreign exchange transactions in the normal course of business as authorised dealers)		
Interest	2,486,459	5,032,275
Communication Charges	-	3,476
Receipts from Independent Tours and Travel	577,768,049	506,748,176
Commission on Travellers Cheques	44,437,587	38,036,444
Cash Passport	12,485,299	2,712,754
Incentive on Exports Volume	1,866,400	5,351,850
(i) Related Party Disclosures		
(A) Enterprises where control exists		
(i) Holding Company	<p>From 28th March, 2008: TCIM Limited, UK holds 54.42% of Equity Shares of the Company. Thomas Cook UK Limited, the Holding Company of TCIM Limited, UK owns 20.48% of Equity Shares of the Company. Thomas Cook UK Limited is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.</p> <p>Upto 27th March, 2008: TCIM Limited, UK held 54.42% of Equity Shares of the Company. Dubai Financial (LLC), the Holding Company of TCIM owns 7.36% of the Company. Dubai Financial (LLC) is a wholly owned subsidiary of Dubai Group, the Global investment arm of Dubai Holdings.</p>	
(ii) Subsidiary Companies	<p>Travel Corporation (India) Limited Thomas Cook Insurance Services (India) Limited Indian Horizon Travel and Tours Limited Thomas Cook Tours Limited Thomas Cook (Mauritius) Holding Company Limited Thomas Cook (Mauritius) Operations Company Limited Thomas Cook (Mauritius) Holidays Limited Thomas Cook (Mauritius) Travel Limited Thomas Cook Lanka Holdings (Private) Limited Airline Services Lanka (Private) Limited</p>	
(B) Other Related Parties with whom the Company had transactions during the year		
(i) Fellow Subsidiaries	<p>From 28th March, 2008: Thomas Cook AG, Germany Thomas Cook Tour Operations Limited, UK Thomas Cook Signature Limited, UK Thomas Cook Reisen, Germany Neckermann Reisen, Germany Thomas Cook Overseas Limited, Egypt</p> <p>Upto 27th March, 2008: Thomas Cook Overseas Limited, Egypt</p>	

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

(ii) Key Management Personnel	Madhavan Menon
	Vinayak K. Purohit
	Rakshit Desai (from 25th November, 2008)
	Nalini Gupta
	Parag Mehta
	Amitabh Pandey
	Dr. Prasanth Nair
(iii) Relatives of Key Management Personnel	R. R. Kenkare
	Gautam Sharma (Up to 31st August, 2008)
(iv) Company in which a Director has significant influence	Lili Menon
	Upto 30th March, 2008
	LKP Merchant Financing Limited

(C) Disclosure of transactions between the company and related parties and outstanding balances as at the year end:

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
(i) Holding Company				
Licence Fees paid				
Thomas Cook UK Limited		13,084,508		-
Dividend remitted				
TCIM Limited, UK		43,750,000		43,750,000
Thomas Cook UK Limited		1,127,300		-
Dubai Financial LLC		4,790,005		5,917,305
(ii) Subsidiary Companies				
Reimbursement of Expenses (Net)				
Thomas Cook Insurance Services (India) Limited		9,410,122		10,160,321
Travel Corporation (India) Limited		7,891,900		7,896,127
Export of Foreign Currencies*				
Thomas Cook (Mauritius) Operations Company Limited		274,451,531		318,186,553
Services Availed#				
Thomas Cook Insurance Services (India) Limited		134,675		420,000
Thomas Cook (Mauritius) Holidays Limited		30,526,423		22,171,318
Thomas Cook (Mauritius) Travel Limited		-		2,532,758
Balances as at the year end -				
Outstanding Receivables				
Thomas Cook Insurance Services (India) Limited	-		19,173,154	
Indian Horizon Travel and Tours Limited	-		61,060	
Thomas Cook Tours Limited	-		60,895	
Thomas Cook (Mauritius) Operations Company Limited	1,080,726		9,049,059	
		1,080,726		28,344,168

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

SCHEDULE "Q" (contd.)	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
Outstanding Payables				
Thomas Cook Insurance Services (India) Limited	338,648		-	
Travel Corporation (India) Limited	1,739,161		2,160,191	
Thomas Cook (Mauritius) Holidays Limited	6,663,205		6,065,042	
Thomas Cook (Mauritius) Travel Limited	-		137,290	
		8,741,014		8,362,523
(iii) Fellow Subsidiaries				
Sale of Services*				
Thomas Cook Tour Operations Limited, UK	247,930,004		-	
Thomas Cook AG, Germany	26,107,766		-	
Neckermann Reisen, Germany	9,798,991		-	
Thomas Cook Overseas Limited, Egypt	-		474,755	
Others	1,851,926		-	
		285,688,687		474,755
Services Availed#				
Thomas Cook Overseas Limited, Egypt		11,404,357		5,852,756
Balances as at the year end -				
Outstanding Receivables				
Thomas Cook Tour Operations Limited, UK	3,810,523		-	
Thomas Cook AG, Germany	4,954,881		-	
Neckermann Reisen, Germany	2,739,858		-	
Others	378,093		-	
		11,883,355		-
Outstanding Payables				
Thomas Cook Overseas Limited, Egypt		3,137,655		2,465,865
* Sale value of transactions				
# Purchase value of transactions				
(iv) Key Management Personnel				
Remuneration#				
Madhavan Menon	16,969,504		16,361,969	
Vinayak K. Purohit	15,610,800		9,854,349	
Rakshit Desai	2,473,348		-	
Nalini Gupta	13,944,100		7,498,797	
Parag Mehta	8,473,577		6,239,517	
Amitabh Pandey	6,060,333		3,341,945	
Dr. Prasanth Nair	7,199,790		5,448,700	
R. R. Kenkare	8,299,869		6,379,261	
Gautam Sharma	5,446,659		8,058,136	
Robin Banerjee	-		176,380	
		84,477,980		63,359,054
#Gratuity is contributed for the Company as a whole and hence excluded				

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

SCHEDULE "Q" (contd.)		Year ended 31st December, 2008	Year ended 31st December, 2007
		Rupees	Rupees
(v)	Relative of Key Management Personnel		
	Rent Expense		
	Lili Menon	1,765,500	—
	Balance as at the year end -		
	Deposit Receivable		
	Lili Menon	16,500,000	3,500,000
(vi)	Company in which a Director has significant influence		
	Rent and Professional Charges		
	LKP Merchant Financing Limited	5,819,402	27,955,901
(j)	Disclosures for Leases		
(A)	Finance Leases – Vehicles		
(i)	Minimum Lease Payments payable		
-	Not later than one year	118,974	590,186
-	Later than one year but not later than five years	—	118,974
		<u>118,974</u>	<u>709,160</u>
(ii)	Present Value of Minimum Lease Payments payable		
-	Not later than one year	117,362	561,084
-	Later than one year but not later than five years	—	112,704
		<u>117,362</u>	<u>673,788</u>
(iii)	Reconciliation of Minimum Lease Payments and their Present Value		
-	Minimum Lease Payments Payable as per (i) above	118,974	709,160
-	Less: Finance Charges to be recognised in subsequent years	1,612	35,372
-	Present Value of Minimum Lease Payments payable as per (ii) above	<u>117,362</u>	<u>673,788</u>
(iv)	Finance Charges recognised in the Profit and Loss Account	33,760	296,768

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

SCHEDULE "Q" (contd.)	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
(B) Operating Leases				
Disclosures in respect of cancellable agreements for office and residential premises taken on lease				
(i) Lease payments recognised in the Profit and Loss Account		187,633,644		194,362,960
(ii) Significant leasing arrangements				
- The Company has given refundable interest free security deposits under certain agreements				
- The lease agreements are for a period of eleven months to ninety years				
- The lease agreements are cancellable at the option of either party by giving one month to six months' notice				
- Certain agreements provide for increase in rent				
- Some of the agreements contain a provision for their renewal				
(iii) Future minimum lease payments under non-cancellable agreements				
- Not later than one year		16,581,025		34,656,852
- Later than one year and not later than five years		10,354,318		24,268,226
- Later than five years		—		—
(k) In determining earnings per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of dilutive potential equity shares. Earnings per Share has been computed as under:				
Profit attributable to Equity Shareholders *		286,153,533		283,615,837
Weighted average number of shares – Basic		160,787,028		160,782,330
Weighted average number of shares – Diluted		166,755,938		166,738,325
Basic Earnings per Share before Exceptional Item (Rs. per Equity Share of Re. 1 each)		1.98		1.76
Basic Earnings per Share after Exceptional Item (Rs. per Equity Share of Re. 1 each)		1.78		1.76
Diluted Earnings per Share before Exceptional Item (Rs. per Equity Share of Re. 1 each)		1.91		1.71
Diluted Earnings per Share after Exceptional Item (Rs. per Equity Share of Re. 1 each)		1.72		1.71
* Proposed Dividend amounting to Rs. 15,809,100 (including Corporate Dividend Tax) on Preference shares outstanding during the year has been considered in determining the EPS for year ended 31st December, 2008.				

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

(I) Employee Benefits

The disclosures as required under the revised AS 15 in respect of gratuity, a defined benefit scheme (based on Actuarial Valuation) is as follows -

This does not include gratuity liability of Rs. 292,906 (*Previous Year Rs. 901,068*) and charge of Rs. 208,620 (*Previous Year Rs. 173,141*) in respect of Sri Lanka branch.

(i) The Following table sets forth the funded status of gratuity benefit plan, during the year ended 31st December, 2008:-

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
Present Value of Funded Obligations	76,827,770	52,110,984
Fair Value of Plan Assets	(43,720,966)	(31,768,969)
Present Value of Unfunded Obligations	-	-
Unrecognised Past Service Cost	-	-
Amount not Recognised as an Asset	-	-
Net Liability	33,106,804	20,342,015
Amounts in Balance Sheet		
Liability	33,106,804	20,342,015
Assets	-	-
Net Liability	33,106,804	20,342,015
(ii) The amount recognised in the statement of profit and loss are as follows:-		
Current Service Cost	6,872,887	4,923,713
Interest Cost	4,489,863	3,313,744
Expected return on Plan Assets	(2,623,561)	(2,864,187)
Net Actuarial Losses / (Gains) Recognised in the year	13,331,164	16,289,246
Past Service Cost	-	-
Losses / (Gains) on Curtailments & Settlements	-	-
Losses / (Gains) on Acquisition & Divestiture	-	-
Total Expense	22,070,353	21,662,516
Actual Return on Plan Assets	10,659,895	3,159,085
(iii) Changes in the present value of the defined benefit obligation:-		
Changes in Defined Benefit Obligation (DBO) during the year		
Defined Benefit Obligation at beginning of year	52,110,984	43,070,396
Current Service Cost	6,872,887	4,923,713
Interest Cost	4,489,863	3,313,744
Actuarial Losses/(Gain)	21,367,498	16,584,144
Past Service Cost	-	-
Actuarial Losses/(Gain) due to Curtailment	-	-
Liabilities Extinguished on Settlement	-	-
Liabilities Extinguished on Acquisition/(Settled on Divestiture)	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(8,013,462)	(15,781,013)
Defined Benefit Obligation at year end	76,827,770	52,110,984

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE “Q” (contd.)

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
(iv) Change in Fair Value of Plan Assets		
Fair Value of Plan Assets beginning of year	31,768,969	37,337,758
Expected Return on Plan Assets	2,623,561	2,864,187
Actuarial Losses/(Gain)	8,036,334	294,898
Assets Distributed on Settlements	-	-
Contribution by Employer	9,305,564	7,053,139
Assets Acquired on Acquisition/(Distributed on Divestiture)	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(8,013,462)	(15,781,013)
Fair Value of Plan Assets at year end	43,720,966	31,768,969
(v) The major categories of plan assets as a percentage of fair value of total plan assets:-		
Insurer Managed Funds	100.00%	100.00%
(vi) Principal Actuarial Assumptions as at the balance sheet date:		
Discount Rate (p.a.)*	5.95%	7.85%
Expected Rate of Return on Assets (p.a.)**	7.50%	7.50%
Salary Escalation Rate (p.a.)***	5.50%	5.50%
* The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.		
** The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.		
*** The estimates of the future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
(m) Turnover includes		
(i) Brokerage and Incentives paid netted off Rs. 240,993,930 (Previous Year Rs. 229,822,495)		
(ii) Exchange profit on revaluation of Nostro and other Bank Accounts used for holding foreign currency for travel business Rs. 24,409,780 (Previous Year loss Rs. 24,882,000).		
(n) The Company has considered Non Compete Fees paid during the financial year ended 31st December, 2007 as an allowable expenditure for the purpose of computing the provision for tax for the year ended 31st December, 2007 based on legal opinion. The assessment proceedings for the relevant assessment year have not been completed.		
(o) Subsequent to the Annual General Meeting of the company held on 27th June, 2008, the Company has appointed an Executive Director for a period of two years with effect from 25th November, 2008 and the company has paid remuneration of Rs. 2,473,348 for the period. The appointment and remuneration of the said Executive Director is subject to the approval of the members in the general meeting and the Central Government of India for which an application has been made.		
(p) The Management has reviewed the operations of its various Branches/Divisions and based on this review the Management has Closed the travel / forex Branches and thereby incurred a sum of Rs. 13,566,679 on account of personnel cost, professional fees and loss on disposal of assets.		
(q) During the year the Company has issued 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each amounting to Rs.1,050,000,000 redeemable on 29th January, 2009 @ 10% premium. The premium on preference shares was to be adjusted against the Share Premium account arising on the rights issue scheduled to be completed before 31st December, 2008. However, the rights issue opened only on 31st December, 2008 and got closed on 14th January, 2009. The company has adjusted the premium on redemption of preference shares against the Share Premium received on the rights issue. The total proceeds relating to rights issue amounting to Rs. 1,798,099,815 (including premium Rs.1,747,449,116) was received prior to		

the date of redemption of preference shares and the resultant premium on rights issue was more than sufficient to adjust the premium on redemption of preference shares.

- (r) During the year ended 31st December, 2008, the Company has paid charges of Rs. 31,896,150 on issue of preference shares. This included payments on account of fees paid to Registrar of Companies, franking and stamping charges as well as advisory fees for structuring the preference share issue. The same has been disclosed as an Exceptional Item.

(s) Derivative Instruments

The Company uses Forward Exchange Contracts to hedge against its foreign currency exposures related to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts outstanding as at 31st December, 2008 are as under:

Currency Exchange	USD/INR	EUR/INR	GBP/INR	JPY/INR	CAD/USD	CHF/USD	EUR/USD	GBP/USD	JPY/USD	AUD/USD
(i) Number of 'buy' contracts	- (4)	- -	- -	- -	- -	- (1)	- -	1 -	- -	- (4)
(ii) Aggregate Amount (Rupees)	- (240,423,026)	- -	- -	- -	- -	- (6,123,656)	- -	28,235,000 -	- -	- (211,275,107)
(iii) Number of 'sale' contracts	12 (37)	2 -	1 (1)	1 -	2 (4)	1 (4)	10 (35)	2 (17)	4 (4)	- -
(iv) Aggregate Amount (Rupees)	428,648,000 (742,993,464)	11,994,500 -	5,294,063 (3,940,250)	3,778,460 -	13,020,816 (57,343,473)	4,624,625 (14,524,441)	192,519,504 (345,040,317)	7,066,262 (135,947,263)	31,228,614 (12,306,000)	- -

(figures in brackets pertain to year 2007)

- (t) Employees of the Company and other parties misappropriated assets aggregating to Rs. 7,251,682 during the year. The Company has recovered Rs. 4,047,146 so far. The cases are under investigation and Company has taken steps for recovering the balance amount. There is no open exposure on the profit for the year in respect of misappropriated assets except for Rs. 751,100.

(u) Subsequent Event

During the current year, the Company came out with Rights issue of 56,278,554 fully paid-up Equity shares in ratio of 35 (thirty five) fully paid up equity shares for every 100 (hundred) fully paid up Equity Share held by the existing shareholders on the record date 27th December, 2008. Pursuant to this the Company at its Committee meeting held on 21st January, 2009 allotted 50,650,699 fully paid up Equity Shares of Re. 1/- each for cash at a price of Rs. 35.50 (including a share premium of Rs. 34.50) per equity share aggregating to Rs. 1,798,099,815. The shares thus allotted rank *pari passu* with the existing shares of the Company with respect to the dividends declared by the Company for the year ended 31st December, 2008 and the proposed dividend has been determined accordingly.

- (v) Previous year figures have been regrouped where necessary.



# Schedules forming part of the Financial Statements for the year ended 31st December, 2008

## SCHEDULE "Q" (contd.)

### (w) Balance Sheet abstract and Company's General Business profile

#### I. Registration Details

Registration No. 

2	0	7	1	7	/	T	A
---	---	---	---	---	---	---	---

  
Balance Sheet Date 

3	1	1	2	2	0	0	8
---	---	---	---	---	---	---	---

  
Date Month Year

State Code 

1	1
---	---

#### II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue  

-	-	-	-	N	I	L
---	---	---	---	---	---	---

  
Bonus Issue  

-	-	-	-	N	I	L
---	---	---	---	---	---	---

Rights Issue  

-	-	-	-	N	I	L
---	---	---	---	---	---	---

  
Private Placement  

-	1	0	5	0	0	0
---	---	---	---	---	---	---

#### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities\*  

-	4	5	8	0	4	0	3
---	---	---	---	---	---	---	---

Total Assets  

-	4	5	8	0	4	0	3
---	---	---	---	---	---	---	---

#### Sources of Funds

Paid-up Capital  

-	1	2	1	6	7	1	2
---	---	---	---	---	---	---	---

  
Secured Loans  

-	-	-	-	-	1	1	7
---	---	---	---	---	---	---	---

Reserves & Surplus  

-	-	7	5	7	0	5	5
---	---	---	---	---	---	---	---

  
Unsecured Loans  

-	2	5	7	3	9	7	5
---	---	---	---	---	---	---	---

\* Total Liabilities includes Deferred Taxation (Net) of Rs. 32,544 thousands.

#### Application of Funds

Net Fixed Assets  

-	-	6	0	0	1	0	2
---	---	---	---	---	---	---	---

  
Net Current Assets  

-	2	0	5	4	8	7	9
---	---	---	---	---	---	---	---

  
Accumulated Losses  

-	-	-	-	-	N	I	L
---	---	---	---	---	---	---	---

Investments  

-	1	9	2	5	4	2	2
---	---	---	---	---	---	---	---

  
Miscellaneous Expenditure  

-	-	-	-	-	N	I	L
---	---	---	---	---	---	---	---

#### IV. Performance of Company (Amount in Rs. Thousands)

Turnover  

-	2	5	0	6	6	5	2
---	---	---	---	---	---	---	---

Total Expenditure  

-	2	0	5	1	5	2	5
---	---	---	---	---	---	---	---

+ - Profit/Loss before tax  

✓	-	-	5	3	6	4	7	3
---	---	---	---	---	---	---	---	---

+ - Profit/Loss after tax  

✓	-	-	3	0	1	9	6	3
---	---	---	---	---	---	---	---	---

(Please tick Appropriate box + for Profit, - for Loss)

@ Profit/loss after tax is after exceptional cost

Earning per Share in Rs.  
Basic (EPS) before Exceptional Cost 

-	-	-	1	.	9	8
---	---	---	---	---	---	---

  
Basic (EPS) after Exceptional Cost 

-	-	-	1	.	7	8
---	---	---	---	---	---	---

  
Diluted (EPS) before Exceptional Cost 

-	-	-	1	.	9	1
---	---	---	---	---	---	---

  
Diluted (EPS) after Exceptional Cost 

-	-	-	1	.	7	2
---	---	---	---	---	---	---

Dividend Rate %  

3	7	.	5	0
---	---	---	---	---

#### V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code) 

N	O	T		A	P	P	L	I	C	A	B	L	E						
---	---	---	--	---	---	---	---	---	---	---	---	---	---	--	--	--	--	--	--

  
Product Description 

A	U	T	H	O	R	I	S	E	D		F	O	R	E	I	G	N		
E	X	C	H	A	N	G	E		D	E	A	L	E	R	S				

  
Item Code No. (ITC Code) 

N	O	T		A	P	P	L	I	C	A	B	L	E						
---	---	---	--	---	---	---	---	---	---	---	---	---	---	--	--	--	--	--	--

  
Product Description 

T	R	A	V	E	L		A	G	E	N	T	S							
---	---	---	---	---	---	--	---	---	---	---	---	---	--	--	--	--	--	--	--

  
Item Code No. (ITC Code) 

N	O	T		A	P	P	L	I	C	A	B	L	E						
---	---	---	--	---	---	---	---	---	---	---	---	---	---	--	--	--	--	--	--

  
Product Description 

T	O	U	R		O	P	E	R	A	T	O	R	S						
---	---	---	---	--	---	---	---	---	---	---	---	---	---	--	--	--	--	--	--

Signatures to Schedule "A" to "Q"

For and on behalf of the Board

UDAYAN BOSE – CHAIRMAN  
MADHAVAN MENON – MANAGING DIRECTOR  
VINAYAK K. PUROHIT – EXECUTIVE DIRECTOR – FINANCE  
RAKSHIT DESAI – EXECUTIVE DIRECTOR – TRAVEL SERVICES  
R. R. KENKARE – PRESIDENT & HEAD – LEGAL & COMPANY SECRETARY

# Cash Flow Statement for the year ended 31st December, 2008

68

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>A. Cash flow from operating activities</b>				
Net Profit before Taxation and after Exceptional Item		504,577,136		392,851,808
Adjustments for –				
Depreciation	88,810,200		78,557,255	
Discounting charge for Employee Stock Option	2,734,702		970,262	
Interest and Other Finance Expenses	345,095,383		308,193,109	
Dividend Income	(2,682)		(459,324)	
Loss/(Profit) on Sale of Fixed Assets (Net)	10,747,567		(38,969,098)	
Profit on Redemption of Long-term Investment	(358,368)		(22,637)	
		447,026,802		348,269,567
Operating profit before working capital changes		951,603,938		741,121,375
Adjustments for –				
Trade and Other Receivables	244,382,442		(292,667,340)	
Trade and Other Payables	(305,671,808)		(251,903,540)	
		(61,289,366)		(544,570,880)
Cash generated from operations		890,314,572		196,550,495
Direct Taxes paid (Net of refund of taxes)	(198,158,087)		(311,574,005)	
		(198,158,087)		(311,574,005)
Net cash from/(used in) operating activities		692,156,485		(115,023,510)
<b>B. Cash flow from investing activities</b>				
Purchase of Fixed Assets	(85,651,368)		(172,024,448)	
Sale of Fixed Assets	3,118,670		68,379,345	
Sale/Redemption of Investments	1,635,636		100,095,091	
Interest Received	3,211,867		8,433,108	
Dividend Received	2,682		459,324	
Net cash from/(used in) investing activities		(77,682,513)		5,342,420
<b>C. Cash flow from financing activities</b>				
(Repayment of)/Proceeds from Borrowings (net)	(257,771,533)		377,360,204	
Payment of Finance Lease liability	(556,426)		(3,869,312)	
Proceeds from Issue of Share Capital	17,997,991		–	
Interest and Other Finance Expenses paid	(354,132,667)		(312,883,137)	
Dividend Paid	(127,583,900)		(84,511,879)	
Tax on Dividend Paid	(21,645,791)		(13,662,478)	
<b>Net cash from/(used in) financing activities</b>		(743,692,326)		(37,566,602)
<b>Net increase/(decrease) in cash and cash equivalents</b>		(129,218,354)		(147,247,692)
Cash and Cash Equivalents – Opening Balance		1,459,154,071		1,606,401,763
Cash and Cash Equivalents – Closing Balance		1,329,935,717		1,459,154,071

## Note:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, issued by The Institute of Chartered Accountants of India.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date

SHARMILA A. KARVE

Partner

Membership No. 43229

For and on behalf of

LOVELOCK &amp; LEWES

Chartered Accountants

Mumbai, 27th February, 2009

For and on behalf of the Board

UDAYAN BOSE

– CHAIRMAN

MADHAVAN MENON

– MANAGING DIRECTOR

VINAYAK K. PUROHIT

– EXECUTIVE DIRECTOR – FINANCE

RAKSHIT DESAI

– EXECUTIVE DIRECTOR – TRAVEL SERVICES

R. R. KENKARE

– PRESIDENT & HEAD – LEGAL &  
COMPANY SECRETARY

Mumbai, 27th February, 2009

## Auditors' Report

### To the Board of Directors of Thomas Cook (India) Limited on the Consolidated Financial Statements of Thomas Cook (India) Limited and its Subsidiaries

1. We have audited the attached Consolidated Balance Sheet of Thomas Cook (India) Limited (the 'Company') and its subsidiaries as at 31st December, 2008, and the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.
3. (a) We did not audit the financial statements of the Sri Lanka branch of the Company, Thomas Cook (Mauritius) Holding Company Limited, Thomas Cook (Mauritius) Operations Company Limited, Thomas Cook (Mauritius) Travel Limited and Thomas Cook (Mauritius) Holidays Limited whose financial statements reflect total assets of Rs. 367,749,484 as at 31st December, 2008 and total revenues of Rs. 183,862,938 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this branch/these subsidiaries, is based on the reports of the other auditors.
- (b) We did not audit the financial statements of Thomas Cook Lanka Holdings (Private) Limited and Airline Services Lanka (Private) Limited whose unaudited financial statements reflect total assets and total revenue of Rs. Nil as at 31st December, 2008. As informed by management there are no operations in these Companies. These Companies have applied to Registrar General of Companies, Sri Lanka to strike off the name from their register. These subsidiaries have been consolidated on the basis of such unaudited financial statements.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard – 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Thomas Cook (India) Limited and its subsidiaries included in the consolidated financial statements, other than the subsidiaries referred to in paragraph 3(b) above which have been consolidated on the basis of unaudited financial statements.
5. (a) The Company has considered Non Compete Fees paid during the financial year ended 31st December, 2007 as an allowable expenditure for the purpose of computing the provision for tax for the year ended 31st December, 2007 based on legal opinion (refer note 3(j) on Schedule Q);
- (b) *Subsequent to the Annual General Meeting of the Company held on 27th June, 2008, the Company has appointed an Executive Director for a period of two years with effect from 25th November, 2008 and the Company has paid remuneration of Rs. 24.73 lakhs for the period. The appointment and remuneration of the said Executive Director is subject to the approval of the members in the general meeting and the Central Government of India for which an application has been made (refer note 3(k) on Schedule Q);*
6. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Thomas Cook (India) Limited and its subsidiaries, other than the subsidiaries referred to in paragraph 3(b) above which have been consolidated on the basis of unaudited financial statements, read with our comment in paragraph 5 (a) and subject to paragraph 5 (b) above, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Thomas Cook (India) Limited and its subsidiaries as at 31st December, 2008;
  - (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Thomas Cook (India) Limited and its subsidiaries for the year ended on that date; and
  - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Thomas Cook (India) Limited and its subsidiaries for the year ended on that date.

SHARMILA A. KARVE  
Partner  
Membership No. 43229  
For and on behalf of  
Lovell & Lewes  
Chartered Accountants  
Mumbai, 27th February, 2009

## Consolidated Balance Sheet as at 31st December, 2008

	Schedule	As at 31st December, 2008		As at 31st December, 2007	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Capital	A	1,216,711,520		1,199,537,980	
Reserves and Surplus	B	1,023,200,739		754,963,180	
			2,239,912,259		1,954,501,160
<b>LOAN FUNDS</b>					
Secured Lans	C		4,460,267		25,406,936
Unsecured Loans	D		2,600,063,079		2,831,746,857
<b>DEFERRED TAXATION (NET)</b>					
Deferred Tax Liability	E	84,003,941		81,775,032	
Less: Deferred Tax Assets		69,555,920		56,301,528	
			14,448,021		25,473,504
	TOTAL		4,858,883,626		4,837,128,457
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	F	2,862,889,731		2,807,580,519	
Less: Depreciation		721,235,019		672,574,365	
Net Block		2,141,654,712		2,135,006,154	
Capital work-in-progress		14,856,535		37,707,642	
			2,156,511,247		2,172,713,796
<b>INVESTMENTS</b>	G		2,245,678		7,029,560
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Sundry Debtors	H	1,524,720,230		1,988,259,088	
Cash and Bank Balances	I	1,818,515,833		1,723,873,552	
Loans and Advances	J	1,069,235,983		914,437,161	
		4,412,472,046		4,626,569,801	
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>					
Liabilities	K	1,543,195,603		1,778,245,103	
Provisions	L	169,149,742		191,061,672	
		1,712,345,345		1,969,306,775	
<b>NET CURRENT ASSETS</b>			2,700,126,701		2,657,263,026
<b>MISCELLANEOUS EXPENDITURE</b>					
(to the extent not written off or adjusted)			—		122,075
Preliminary and Pre-operative Expenses					
	TOTAL		4,858,883,626		4,837,128,457
Notes to the Consolidated Financial Statements					
Schedules "A" to "L" and "Q" referred to above form an integral part of the Balance Sheet.	Q				

In terms of our report of even date

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 27th February, 2009

For and on behalf of the Board

UDAYAN BOSE — CHAIRMAN  
MADHAVAN MENON — MANAGING DIRECTOR  
VINAYAK K. PUROHIT — EXECUTIVE DIRECTOR – FINANCE  
RAKSHIT DESAI — EXECUTIVE DIRECTOR – TRAVEL SERVICES  
R. R. KENKARE — PRESIDENT & HEAD – LEGAL & COMPANY SECRETARY

Mumbai, 27th February, 2009

## Consolidated Profit and Loss Account for the year ended 31st December, 2008

Schedule	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>				
Turnover [Refer Note 3(h) of Schedule "Q"]		3,100,003,285		2,850,640,490
Other Income	M	159,033,232		191,625,016
		3,259,036,517		3,042,265,506
<b>EXPENDITURE</b>				
Personnel Cost	N	1,169,830,360		957,705,748
Advertisement and Business Promotion		136,219,675		216,406,427
Other Expenses	O	858,571,070		808,375,239
Interest and Other Finance Expenses (Net of interest income)	P	352,474,235		315,348,932
Depreciation	F	110,764,019		88,437,895
		2,627,859,359		2,386,274,241
Profit before Taxation and Exceptional item		631,177,158		655,991,265
Provision for Taxation				
Current Tax		217,333,008		145,013,095
(Excess)/Short Provision of Income Tax for earlier year		41,618		(2,708,742)
Fringe Benefit Tax		19,676,142		16,403,697
Deferred Tax		(11,025,483)		(21,862,294)
		226,025,285		136,845,756
Profit after Taxation and before Exceptional item		405,151,873		519,145,509
Less: Exceptional Item [Refer Note 3(n) of Schedule "Q"]		31,896,150		—
Net profit		373,255,723		519,145,509
Add: Transfer from Reserve created under Section 80HHD of the Income-tax Act, 1961		17,500,000		13,000,000
		390,755,723		532,145,509
Balance brought forward from previous year		631,718,725		277,620,283
		1,022,474,448		809,765,792
<b>APPROPRIATIONS</b>				
Transfer to General Reserve		33,500,000		33,500,000
Proposed Dividend on Equity Shares [Refer Note 3 (p) of Schedule "Q"]		79,292,463		80,391,165
Dividend on Preference Shares		3,815,848		—
Proposed Dividend on Preference Shares		9,696,780		43,158,617
Corporate Dividend Tax		15,772,226		20,997,285
Balance carried to Balance Sheet		880,397,131		631,718,725
		1,022,474,448		809,765,792
Earnings per Share – Basic before Exceptional Item		2.42		2.91
Earnings per Share – Basic after Exceptional Item		2.22		2.91
Earnings per Share – Diluted before Exceptional Item		2.34		2.82
Earnings per Share – Diluted after Exceptional Item		2.15		2.82
[Rs. per Equity Share of Re. 1 each]				
[Refer Note 3(g) of Schedule "Q"]				
Notes to the Consolidated Financial Statements	Q			
Schedules "F" and "M" to "Q" referred to above form an integral part of the Profit and Loss Account.				

In terms of our report of even date

SHARMILA A. KARVE  
Partner

Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 27th February, 2009

For and on behalf of the Board

UDAYAN BOSE

MADHAVAN MENON

VINAYAK K. PUROHIT

RAKSHIT DESAI

R. R. KENKARE

Mumbai, 27th February, 2009

CHAIRMAN

MANAGING DIRECTOR

EXECUTIVE DIRECTOR – FINANCE

EXECUTIVE DIRECTOR – TRAVEL SERVICES

PRESIDENT &amp; HEAD – LEGAL &amp;

COMPANY SECRETARY

## Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2008

	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
<b>SCHEDULE "A" : CAPITAL</b>		
Authorised		
345,827,060 Equity Shares of Re.1 each	345,827,060	345,827,060
114,760,000 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,147,600,000	1,147,600,000
355,294 'Class B' 0.001% Cumulative Convertible/Redeemable Preference Shares of Rs. 10 each	3,552,940	3,552,940
302,000 'Class C' 0.001% Cumulative Convertible/Redeemable Preference Shares of Rs. 10 each	3,020,000	3,020,000
125,000,000 ( <i>Previous Year Nil</i> ) 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,250,000,000	—
	<u>2,750,000,000</u>	<u>1,500,000,000</u>
Issued and Subscribed		
160,795,870 Equity Shares of Re. 1 each fully paid-up ( <i>Previous Year 160,782,330 Equity Shares of Re. 1 each fully paid-up</i> )	160,795,870	160,782,330
(87,500,000 Equity Shares are held by the holding company, TCIM Limited, U.K.)		
(32,925,965 Equity Shares are held by Thomas Cook UK Limited, the Holding Company of TCIM Limited, U.K.)		
Nil ( <i>Previous Year 103,284,000</i> ) 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	—	1,032,840,000
319,765 'Class B' 0.001% Cumulative Convertible/Redeemable Preference Shares of Rs. 10 each	3,197,650	3,197,650
271,800 'Class C' 0.001% Cumulative Convertible/Redeemable Preference Shares of Rs. 10 each	2,718,000	2,718,000
105,000,000 ( <i>Previous Year Nil</i> ) 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each	1,050,000,000	—
	<u>1,216,711,520</u>	<u>1,199,537,980</u>
Of the above:		
(a) 2,799,930 shares were allotted pursuant to a contract without payment being received in cash.		
(b) 138,833,330 shares were allotted as fully paid-up bonus shares by capitalisation of General Reserve and Capital Reserve.		
(c) Following shares allotted to the erstwhile shareholders of LKP Forex Limited pursuant to its merger with the Company effective 1st April 2006		
(i) 103,284,000 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each which were redeemed on 29th January, 2008		

## Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "A" (contd.)</b>				
(ii) 319,765 'Class B' 0.001% Cumulative Convertible/ Redeemable Preference Shares of Rs. 10 each				
(iii) 271,800 'Class C' 0.001% Cumulative Convertible/ Redeemable Preference Shares of Rs. 10 each				
(iv) 14,949,000 Equity Shares of Re. 1 each				
<b>Note:</b> The Company has granted share options under the Company's Employees Stock Option Plan and share options outstanding as at 31st December, 2008 are 2,163,250 ( <i>Previous Year 1,104,125</i> ). Of these 307,751 ( <i>Previous Year 368,042</i> ) option have vested in 2008, 721,083 ( <i>Previous Year 368,042</i> ) will vest in 2009, 721,083 ( <i>Previous Year 368,041</i> ) in 2010 and 413,333 ( <i>Previous Year Nil</i> ) will vest in 2011. During the Year 13,540 options were exercised.				
<b>SCHEDULE "B" : RESERVES AND SURPLUS</b>				
<b>Reserve as required under Section 80HHD of the Income-tax Act, 1961</b>				
Balance as per last Balance Sheet	47,500,000		60,500,000	
Less: Transfer to Profit and Loss Account	17,500,000		13,000,000	
		30,000,000		47,500,000
<b>General Reserve</b>				
Balance as per last Balance Sheet	74,774,193		41,274,193	
Add: Transfer from Profit and Loss Account	33,500,000		33,500,000	
		108,274,193		74,774,193
<b>Profit and Loss Account</b>		880,397,131		631,718,725
<b>Share Premium</b>				
Opening balance	—		—	
Add: Received during the year	824,451		—	
Add :Transfer from Employee Stock Option Plan	44,140		—	
Closing Balance		868,591		—
<b>Employee Stock Options</b>				
Opening Employee Stock Options Outstanding	970,262		—	
Add: Charge to Profit & Loss Account	2,734,702		970,262	
Less: Transferred to Share Premium Account	44,140		—	
Closing Employee Stock Options Outstanding		3,660,824		970,262
		<u>1,023,200,739</u>		<u>754,963,180</u>

## Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "C" : SECURED LOANS</b>				
Finance Lease Liability		4,334,808		4,985,364
Cash Credit Account with Banks		—		18,391,812
Hire Purchase Loan	129,340		2,104,364	
Less: Unmatured Finance Charges	3,881		74,604	
		125,459		2,029,760
		4,460,267		25,406,936
(Secured by hypothecation of book debts, pledge of Fixed Deposit receipts of the Bank and lien on vehicle purchased)				
<b>SCHEDULE "D" : UNSECURED LOANS</b>				
Short-term Loan from Banks		2,528,063,286		2,717,050,925
Bank Overdrafts		71,999,793		114,695,932
		2,600,063,079		2,831,746,857
<b>SCHEDULE "E" : DEFERRED TAXATION (NET)</b>				
Deferred Tax Liability				
On Fiscal Allowance on Fixed Assets		84,003,941		81,775,032
Less: Deferred Tax Assets				
On Unabsorbed business loss	—		178,503	
On Provisions Allowable for tax purposes when paid	25,970,966		14,368,694	
On Provision for Doubtful Debts and Advances	34,627,442		28,815,703	
On Unamortised Expenditure	8,957,512		12,938,628	
		69,555,920		56,301,528
		14,448,021		25,473,504



# Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2008

## SCHEDULE "F" : FIXED ASSETS

(Rupees)

Description	Gross Block (at cost)			Depreciation/Amortisation			Net Block	
	As at 01.01.2008	Additions	Deductions	As at 31.12.2008	For the year	On Deductions	As at 31.12.2008	As at 31.12.2007
Intangible Assets								
Goodwill	8,831,169	-	-	8,831,169	-	-	8,831,169	-
Goodwill on Consolidation	1,453,969,274	-	-	1,453,969,274	-	-	-	1,453,969,274
Software	189,347,326	87,553,855	723,936	276,177,245	44,021,044	552,146	150,921,187	81,895,037
Tangible Assets								
Leasehold Properties	53,443,501	-	7,668,132	45,775,369	410,696	5,604,700	34,893,535	13,355,962
Freehold Properties	272,451,165	120,000	9,344,999	263,226,166	4,402,739	6,135,670	70,088,428	200,629,806
Strong Room	674,425	-	-	674,425	14,633	-	585,735	103,323
Furniture and Fittings	255,485,382	29,517,721	18,581,052	266,422,051	16,394,196	10,136,188	114,427,453	147,315,937
Computers	246,918,560	17,749,796	14,125,247	250,543,109	23,397,378	13,725,972	204,988,522	51,601,444
Office Equipment	216,806,359	12,510,977	7,141,875	222,175,461	11,904,767	3,390,542	83,964,638	141,355,946
Vehicles	109,653,358	949,609	35,507,505	75,095,462	10,218,566	22,558,147	52,534,352	44,779,425
Total	2,807,580,519	148,401,958	93,092,746	2,862,889,731	110,764,019	62,103,365	721,235,019	2,141,654,712
Previous year	2,768,989,656	155,200,865	116,610,002	2,807,580,519	88,437,895	51,345,120	672,574,365	2,135,006,154

### NOTES:

- Intangible Assets are other than internally generated.
- Cost of Freehold Properties includes:
  - 75 (Previous Year - 75) unquoted fully paid-up Shares of Rs. 4,000 (Previous Year Rs. 4,000) in various Co-operative Societies.
  - Share application money of Rs. 2,040 (Previous Year Rs. 2,040) to various Co-operative Societies.
  - Premises of Rs. 12,098,500 (Previous Year Rs. 15,431,718) on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.
  - Premises of Rs. 144,506,670 (Previous Year Rs. 144,506,670) where the Co-operative Society is yet to be formed.
  - Rs. 12,100,000 (Previous Year Rs. 12,100,000) being cost of 65 Debentures of the face value for Rs. 7,800 each (net of redemption) conferring occupancy rights of a portion of a building (Chandermukhi) as office premises and 900 equity shares of the face value of Rs. 100/- each of R.R. Investments and Estates Ltd.
  - 80 (Previous Year 92,850) unquoted fully paid-up Shares of Rs. 50 in various co-operative housing societies.
- Gross block and net block of vehicles includes Rs. 10,276,545 (Previous Year Rs. 16,978,887) and Rs. 5,843,596 (Previous Year Rs. 11,577,036) respectively in respect of vehicles acquired under finance leases.

## Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "G" : INVESTMENTS</b>				
(Unquoted unless otherwise stated)				
Current - Non Trade				
In fully paid-up Units of Mutual Funds				
– Nil ( <i>Previous Year – 201,041</i> ) Units of Rs. 10 each of Standard Chartered Mutual Fund – Grindlays Cash Fund – Daily Dividend	–		2,127,393	
– Nil ( <i>Previous Year – 125,565</i> ) Units of Rs. 10 each of LIC Mutual Fund Liquid Fund - Daily Dividend Plan	–		1,378,721	
		–		3,506,114
Long-term (at cost)				
In Government Securities (Face value Rs. 500)		–		500
In fully paid-up Ordinary Shares – Trade				
– 339,662 ( <i>Previous Year 196,831</i> ) fully paid-up Ordinary Shares of SLR 10 each of Tangerine Beach Hotel Limited - Quoted.		1,279,624		1,279,624
– Nil ( <i>Previous Year 1,222</i> ) fully paid-up class AP Common Stock of USD 0.0001 each of Visa Inc.*		–		2,200,000
– 676 ( <i>Previous Year Nil</i> ) fully paid-up Class C (Series I) Common Stock of USD 0.0001 each of Visa Inc.*		962,589		–
*(During the year 1,222 Class AP Common Stock have been converted to 1,545 Class C Common Stock. Out of 1,545 Class C Common Stock allotted during the year, 869 Class C Common stock have been redeemed.)				
In fully paid-up Ordinary Shares – Non Trade				
10 ( <i>Previous Year 100</i> ) fully paid-up Equity Shares of Rs. 10 each of JIK Industries Limited (Quoted)		18,000		18,000
100 fully paid-up Equity Shares of Rs. 10 each of Weizmann Limited (Quoted)		2,000		2,000
In fully paid-up Debentures - Trade				
Zero coupon fully paid-up Redeemable Debentures of SLR 100 each of Tangerine Beach Hotel Limited		–		39,857
		2,262,213		7,046,095
Less: Provision for diminution in value of investment		16,535		16,535
		2,245,678		7,029,560
Aggregate amount of Quoted Investments		1,283,089		1,283,089
Aggregate amount of Unquoted Investments		962,589		5,746,471
		2,245,678		7,029,560
Aggregate Market Value of Quoted Investments		4,688,569		2,114,206

## Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Units		Units	
<b>SCHEDULE "G" (contd.)</b>				
Investments purchased and sold during the year				
– Units of Rs. 10 each of Birla Mutual Fund – Birla Cash Plus – Institutional Premium – Daily Dividend		–		49,912,137
– Units of Rs. 10 each of Deutsche Mutual Fund – Deutsche Insta Cash Plus Fund - Institutional Plan – Daily Dividend		–		60,397,432
– Units of Rs. 10 each of Grindlays Mutual Fund – Grindlays Cash Fund - Super Institutional Plan C – Daily Dividend		–		11,001,585
– Units of Rs. 10 each of LIC Mutual Fund – LIC Mutual Fund Liquid Fund - Dividend Plan		269		39,989,307
– Units of Rs. 10 each of SBI Mutual Fund – Magnum Institutional Income – Savings – Dividend		–		13,958,355
– Units of Rs. 10 each of Prudential ICICI Mutual Fund – Prudential ICICI Liquid Plan – Institutional Plus – Daily Dividend		–		55,009,402
– Units of Rs. 10 each of Principal Mutual Fund – Principal Cash Management Fund Liquid Option – Institutional Premium Plan – Daily Dividend		–		75,011,154
– Units of Rs. 10 each of Standard Chartered Mutual Fund – Grindlays Cash Fund – Daily Dividend		3,811		–
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "H" : SUNDRY DEBTORS</b>				
Unsecured, Considered Good				
Outstanding exceeding six months	91,631,427		130,599,429	
Others	1,433,088,803		1,857,659,659	
		1,524,720,230		1,988,259,088
Unsecured, Considered Doubtful				
Outstanding exceeding six months	92,477,614		72,396,365	
Less: Provision for Doubtful Debts	92,477,614		72,396,365	
		–		–
		1,524,720,230		1,988,259,088

## Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "I" : CASH AND BANK BALANCES</b>				
Cash and Cheques on Hand (including Foreign Currencies – Notes and paid documents)		596,071,140		387,180,015
Remittances in Transit (including Foreign Currencies – Notes and paid documents)		491,579,639		659,053,014
Balances with Scheduled Banks				
on Current Accounts	387,329,091		443,341,342	
on Deposit Accounts	238,084,883		40,658,142	
(on lien with various authorities)		625,413,974		483,999,484
Balances with Non-Scheduled Banks				
On Current Accounts				
Credit Suisse, Zurich, Switzerland	–		7,131,896	
Deutsche Bank AG, Frankfurt, Germany	26,202,462		110,497,564	
Bank of Nova Scotia, Canada	–		7,877,527	
ANZ National Bank Limited, Wellington, New Zealand	4,321,121		–	
ANZ National Bank Limited, Australia	23,470,091		–	
HSBC, Mauritius	993,416		35,190,211	
IOIB, Mauritius	2,812,104		796,183	
Barclays Bank, Mauritius	1,268,807		1,419,181	
Barclays Bank, Mauritius, CHF	1,006,385		1,480,413	
Barclays Bank, Mauritius, EUR	10,545,893		–	
Barclays Bank, Mauritius, USD	1,210,618		–	
Barclays Bank, Mauritius, GBP	641,065		–	
State Bank, Mauritius	1,710,570		5,177,342	
MCB, Mauritius	–		2,880,294	
IOIB, Mauritius	602,109		29,945	
MPCB, Mauritius	374,306		1,044,001	
SEAB, Mauritius	125,887		260,671	
SEAB-GBP, Mauritius	70,993		–	
Banque Des Mascareignes	1,868,430		–	
Deutsche Bank, Germany	1,054,104		566,995	
Deutsche Bank, United Kingdom	3,721,899		3,376,745	
Deutsche Bank, New York	20,273,913		6,596,012	
Standard Chartered Grindlays Bank, Sri Lanka	763,283		–	
Commercial Bank, Sri Lanka	–		1,072,067	
NDB Bank, Sri Lanka	611		–	
Lloyds Bank, London, United Kingdom	240,807		148,708	
JP Morgan Chase Bank, New York, USA	497,873		5,053,513	
	103,776,747		190,599,268	
On Deposit Accounts				
NDB Bank, Sri Lanka	1,674,333		1,131,418	
IOIB, Mauritius	–		1,910,353	
	1,674,333		3,041,771	
		105,451,080		193,641,039
		<u>1,818,515,833</u>		<u>1,723,873,552</u>

## Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "J" : LOANS AND ADVANCES</b>				
(Unsecured, Considered Good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received				
Considered Good	756,269,157		654,211,276	
Considered Doubtful	9,661,576		9,711,576	
	765,930,733		663,922,852	
Less: Provision for Doubtful Advances	9,661,576		9,711,576	
		756,269,157		654,211,276
Tax Payments less Provisions		312,966,826		260,225,885
		1,069,235,983		914,437,161
<b>SCHEDULE "K" : LIABILITIES</b>				
Sundry Creditors*		1,336,877,319		1,520,351,267
Balance Purchase Consideration for Acquisition of Sri Lanka Branch Operations		4,802,000		4,802,000
Advance Payments from Customers for which value is still to be given (including Travellers Cheques, Drafts and Transfers Unpaid)		164,258,100		208,229,987
Unpaid Dividend		2,079,861		2,298,131
Interest accrued but not due		14,154,915		18,100,360
Fractional Entitlement on Bonus Shares Refund Accounts		49,066		49,066
Other Liabilities		20,974,342		24,414,292
		1,543,195,603		1,778,245,103
*Includes Book Overdrafts aggregating to Rs.317,517,262 (Previous Year Rs. 615,489,917).				
<b>SCHEDULE "L" : PROVISIONS</b>				
Proposed Dividend		79,292,463		80,391,165
Proposed Preference Dividend		9,696,780		43,158,617
Corporate Dividend Tax		15,123,720		20,997,285
Provision for Leave Encashment		11,723,723		10,379,557
Provision for Gratuity		53,313,056		36,135,048
		169,149,742		191,061,672

## Schedules forming part of the Consolidated Profit and Loss Account for the year ended 31st December, 2008

	Year ended 31st December, 2008	Year ended 31st December, 2007
	Rupees	Rupees
<b>SCHEDULE "M" : OTHER INCOME</b>		
Dividend on Current Investments - Non Trade	46,222	1,012,722
Rent	1,000,491	2,489,512
Profit on Sale of Fixed Assets (Net)	—	48,602,271
Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers	46,596,461	12,249,503
Profit on Redemption of Long-term Investment	358,368	22,637
Provision for Doubtful Debts and Advances no longer required written back (Net)	—	7,580,747
Liabilities no longer required written back	80,389,058	80,045,512
Miscellaneous Income	30,642,632	39,622,112
	<u>159,033,232</u>	<u>191,625,016</u>
<b>SCHEDULE "N" : PERSONNEL COST</b>		
Salaries, Wages and Bonus*	891,930,916	708,490,342
Contribution to Provident and Other Funds	58,524,343	54,507,877
Premium on/Provision for Gratuity-cum-Life Assurance Policy	35,270,332	26,983,013
Staff Welfare Expenses	110,399,047	81,106,827
Staff Training, Recruitment and Other Costs	21,306,446	25,767,689
Incentive/Commission to Staff and Directors	52,399,276	60,850,000
	<u>1,169,830,360</u>	<u>957,705,748</u>
* Includes Rs. 2,734,702 (Previous Year Rs. 970,262) on account of discounting charges on Employee Stock Options.		

## Schedules forming part of the Consolidated Profit and Loss Account for the year ended 31st December, 2008

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "O" : OTHER EXPENSES</b>				
Rent		183,055,035		192,210,964
Rates and Taxes		5,477,061		6,578,739
Insurance		16,514,664		12,650,274
Repairs and Maintenance				
Buildings	1,218,427		5,364,106	
Others	71,275,281		53,099,572	
		72,493,708		58,463,678
Electricity		44,377,932		44,429,834
Printing and Stationery		29,024,601		28,631,430
Postage, Telegrams, Telex and Telephones		99,951,429		96,643,352
Freight Currency Shipment		23,127,339		17,103,723
Legal and Professional Charges		128,767,873		115,504,518
Auditors' Remuneration				
Audit Fees	8,022,285		7,272,472	
Reports under the provisions of the Income-tax Act, 1961	3,804,452		2,522,472	
Miscellaneous Reports	1,098,500		15,000	
Reimbursement of Expenses	247,840		119,665	
	13,173,077		9,929,609	
Branch Auditors' Remuneration – Audit Fees	282,122		212,161	
		13,455,199		10,141,770
Travelling and Conveyance		98,963,029		87,377,117
Directors' Fees		1,463,235		1,467,737
Security Services		22,921,851		19,144,029
Vehicle Running and Maintenance		32,552,269		36,932,023
Licence Fees		18,969,799		16,364,434
Loss on Sale of Fixed Assets (Net)		4,043,486		—
Bad Debts and advances written off		7,364,359		26,969,165
Provision for Doubtful Debts and Advances (Net)		25,307,525		13,304,817
Donations		683,743		166,115
Miscellaneous Expenses		30,056,933		24,291,520
		858,571,070		808,375,239
<b>SCHEDULE "P" : INTEREST AND OTHER FINANCE EXPENSES</b>				
Interest				
Short-term Loans from Banks	263,793,664		265,400,618	
Bank Overdrafts	39,619,405		17,105,709	
Others	795,800		3,347,173	
	304,208,869		285,853,500	
Other Finance Expenses	55,416,159		42,855,835	
		359,625,028		328,709,335
Less: Interest Income				
On Deposits with Banks (Gross) [Tax Deducted at Source Rs. 515,422 (Previous Year 777,788) ]	7,051,522		10,214,732	
Income Tax refund	29,963		2,952,093	
Others	69,308		193,578	
		7,150,793		13,360,403
		352,474,235		315,348,932

## Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2008

### SCHEDULE “Q” : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. BASIS OF CONSOLIDATION

The consolidated financial statements of Thomas Cook (India) Limited (the Company), and its domestic and foreign subsidiary companies are prepared in accordance with Accounting Standard (AS) - 21 on Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India. All inter company balances and transactions have been eliminated.

- (a) List of subsidiary companies considered in the consolidated financial statements is as follows -

<u>Name of the Company</u>	<u>Country of Incorporation</u>	<u>Proportion of Ownership</u>
Travel Corporation (India) Limited	India	100%
Thomas Cook Insurance Services (India) Limited	India	100%
Indian Horizon Travel and Tours Limited	India	100%
Thomas Cook Tours Limited	India	100%
Thomas Cook (Mauritius) Holding Company Limited	Mauritius	100%
Thomas Cook (Mauritius) Operations Company Limited	Mauritius	100%
Thomas Cook (Mauritius) Travel Limited	Mauritius	100%
Thomas Cook (Mauritius) Holidays Limited	Mauritius	100%
Thomas Cook Lanka Holdings (Private) Limited @	Sri Lanka	100%
Airline Services Lanka (Private) Limited @	Sri Lanka	100%

@ There are no operations in these Companies. The Companies have applied to Registrar General of Companies, Sri Lanka to strike off the name from their register.

- (b) The excess of cost of the Company of its investment in the subsidiary company over its share of equity of the subsidiary company, at the date on which the investment in the subsidiary company is made is recognised as Goodwill being an asset in the Consolidated Financial Statements.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared to comply in all material aspects with the applicable statute. The significant accounting policies are as follows -

- (a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

- (b) Fixed Assets and Depreciation

- (i) The gross block of fixed assets is stated at the purchase price of acquisition of such fixed assets including any attributable cost for bringing the asset to its working condition for its intended use.
- (ii) Depreciation on fixed assets is provided at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates determined based on the useful lives of the assets as estimated by the management, whichever are higher. Depreciation is provided on Straight Line Method. The rates adopted for depreciation determined on the basis of useful lives of fixed assets are as follows:

<u>Description of Asset</u>	<u>Rate of Depreciation</u>
Software	25%
Computers	25%
Office Equipment – VSAT and Communication Router	10%
Vehicles	15%

Fixed assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

- (iii) Leasehold properties are amortised over the period of the lease.



## Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

#### (c) (i) Foreign Currency Transactions

All the monetary items denominated in foreign currency are valued at the Foreign Exchange Dealers Association of India rate (FEDAI) (except for Sri Lanka branch and Mauritius), and the exchange variations arising out of settlement/conversion at the FEDAI rate are recognised in the Profit and Loss Account.

Monetary items of Sri Lanka branch are valued at closing rates obtained from HSBC, as the daily buying and selling rates are set on rates obtained from them.

In case Mauritius foreign exchange business, foreign currency transactions are stated at the rate of exchange prevailing at the time of accounting such transactions and exchange variations are dealt with in the Profit and Loss Account. Current assets and liabilities at the year end are converted at closing rates and exchange variations are recognised in the Profit and Loss Account.

Profit or loss on purchase and sale of foreign exchange by the Company in its capacity as authorised dealer are accounted as a part of the turnover.

#### (ii) Foreign Branch and Subsidiaries

Monetary assets and liabilities are translated at the closing exchange rates.

Non monetary assets are translated at the exchange rates prevailing on the date of the transaction.

Revenue items except depreciation are translated at average rate.

Depreciation is translated at the rates used for the translation of respective fixed assets.

#### (d) Investments

Long-term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of Long-term Investments. Current Investments are stated at lower of cost or fair value.

#### (e) Retirement Benefits

Contributions to Defined Contribution schemes such as provident fund, superannuation, etc. are charged to the Profit and Loss Account as incurred. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The remaining contributions are made to a government administered Provident Fund towards which the Company has no further obligations beyond its monthly contributions.

Contributions to gratuity and superannuation schemes are based on the premium contributions called for by the Life Insurance Corporation of India (LIC) and Tata AIG Life Insurance Company Limited with whom the Company has entered into an agreement for its Indian operations. Any short fall/excess based on independent actuarial valuation is accounted for in the relevant period.

The Company provides for leave encashment benefits on the basis of valuations, as at the balance sheet date, made by independent actuaries.

Retirement benefits of Sri Lanka branch are provided for on the basis of the local laws.

#### (f) Employee Stock Option Plan

Stock options granted to the employees under the stock option schemes established after 19th June 1999 are evaluated as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to profit and loss account on graded vesting period of the options.

#### (g) Turnover

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

## Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

(h) Revenue Recognition

Commission on tickets and service charges from customers are recognised on issue of the tickets. Incentive from airlines are accounted on the basis of tickets issued to sectors travelled.

Revenue on foreign exchange transactions is recognised at the time of purchase and sale.

Revenue on holiday packages is recognised on proportionate basis considering the actual number of days completed as at the year end to the total number of days for each tour.

In case of insurance business, commission on insurance policies sold is recognised on the effective commencement of the policies. Card products sales are recognised on delivery of the cards to the customers.

Revenue from other income is accounted on accrual basis.

(i) Leases

Assets acquired under finance lease arrangements are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals are allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Lease rentals in respect of operating lease arrangements are charged to the Profit and Loss Account.

(j) Taxes on Income

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year.

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

### 3. NOTES TO THE ACCOUNTS

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 12,042,230 (*Previous Year Rs.4,826,034*).

	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
(b) Contingent Liabilities		
(i) Claims against the Company not acknowledged as debts		
- Demand from Bombay Electricity Supply and Transport (BEST) for Electricity	1,961,083	1,961,083
- Disputed Demand from DGFT, Mumbai under EPCG license	13,789,235	13,789,235
- Various Miscellaneous Claims	540,000	175,359
(ii) Disputed Income Tax Demands	218,954,097	153,660,330
(iii) Disputed Service Tax Demands	117,210,145	—
(iv) Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation	33,076,960	33,076,960

#### NOTE:

Future cash outflows in respect of the above contingent liabilities are determinable only on receipt of judgements/decisions pending with various forums/authorities.

- (c) The tax year for the Company being the year ending 31st March the provision for taxation for the year is the aggregate of the provision made for the three months ended 31st March, 2008 and the provision based on the figures for the remaining nine months up to 31st December, 2008, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2008 to 31st March, 2009.
- (d) Segment information is provided so that the users of these financial statements can appreciate the diverse nature of the businesses carried out by Thomas Cook (India) Limited and its subsidiary companies.
- (i) Business Segments
- |                               |  |
|-------------------------------|--|
| - Financial services          | Include wholesale purchase and sale of foreign currencies and paid documents   |
| - Travel and related services | Include retail purchase and sale of foreign currencies and paid documents, tour operations, travel management and travel insurance |
- (ii) Geographical Segments
- |                     |  |
|---------------------|--|
| - India             | Include revenue from customers within India  |
| - Rest of the world | Include revenue from customers outside India |

## Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
(I) Information in respect of Primary Segments				
(a) Segment Revenue				
Financial Services		414,740,350		355,183,216
Travel and Related Services		2,685,262,935		2,495,457,274
		<u>3,100,003,285</u>		<u>2,850,640,490</u>
(b) Segment Result				
Financial Services	258,130,984		203,419,718	
Travel and Related Services	1,153,798,293		1,048,740,342	
		1,411,929,277		1,252,160,060
Less: Interest and other finance expenses	352,474,235		315,348,932	
Other Common Expenses	428,277,884		280,819,863	
		780,752,119		596,168,795
Profit before Taxation and Exceptional item		<u>631,177,158</u>		<u>655,991,265</u>
(c) Other Information				
(i) Segment Assets				
Financial Services	1,066,465,075		1,083,066,630	
Travel and Related Services	3,640,219,373		3,675,613,134	
		4,706,684,448		4,758,679,764
Add: Common Assets		1,864,544,523		2,047,633,393
		<u>6,571,228,971</u>		<u>6,806,313,157</u>
(ii) Segment Liabilities				
Financial Services	118,213,301		227,572,168	
Travel and Related Services	1,456,738,730		1,652,480,708	
		1,574,952,031		1,880,052,876
Add: Common Liabilities		2,756,364,681		2,971,881,196
		<u>4,331,316,712</u>		<u>4,851,934,072</u>
(iii) Segment Capital Employed (Segment Assets less Segment Liabilities)				
Financial Services	948,251,774		855,494,462	
Travel and Related Services	2,183,480,643		2,023,132,426	
		3,131,732,417		2,878,626,888
Add: Common Capital Employed		(891,820,158)		(924,247,803)
		<u>2,239,912,259</u>		<u>1,954,379,085</u>
(iv) Capital Expenditure				
Financial Services	20,802,796		40,042,529	
Travel and Related Services	111,412,720		76,213,282	
		132,215,516		116,255,811
Add: Common Capital Expenditure		16,186,442		38,945,054
		<u>148,401,958</u>		<u>155,200,865</u>

## Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
(v) Depreciation/Amortisation				
Financial Services	23,535,346		20,368,745	
Travel and Related Services	68,167,843		45,669,868	
		91,703,189		66,038,613
Add: Common Depreciation and Amortisation		19,060,830		22,399,282
		110,764,019		88,437,895
(vi) Significant Non Cash Expenditure				
Financial Services	24,916,695		20,315,354	
Travel and Related Services	99,458,378		59,028,076	
		124,375,073		79,343,430
Add: Common Non Cash Expenditure		19,060,830		22,399,282
		143,435,903		101,742,712
(II) Information in respect of Secondary Segments				
(a) Segment Revenue				
India	2,574,004,475		2,676,162,245	
Rest of the World	525,998,810		174,478,245	
		3,100,003,285		2,850,640,490
(b) Carrying amount of Segment Assets				
India	4,042,640,115		4,467,658,912	
Rest of the World	664,044,333		291,020,851	
		4,706,684,448		4,758,679,763
Add: Common Assets		1,864,544,523		2,047,633,394
		6,571,228,971		6,806,313,157
(c) Capital Expenditure				
India	126,370,010		107,493,616	
Rest of the World	5,845,506		8,762,195	
		132,215,516		116,255,811
Add: Common Capital Expenditure		16,186,442		38,945,054
		148,401,958		155,200,865
(e) Related Party Disclosures				
(A) Enterprises where control exists				
(i) Holding Company				

From 28th March, 2008:

TCIM Limited, UK holds 54.42% of Equity Shares of the Company. Thomas Cook UK Limited, the Holding Company of TCIM Limited, UK owns 20.48% of Equity Shares of the Company. Thomas Cook UK Limited is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.

Upto 27th March, 2008:

TCIM Limited, UK held 54.42% of Equity Shares of the Company. Dubai Financial (LLC), the Holding Company of TCIM owns 7.36% of the Company. Dubai Financial (LLC) is a wholly owned subsidiary of Dubai Group, the Global investment arm of Dubai Holdings.

## Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

(B) Other Related Parties with whom the Company had transactions during the year

(i) Fellow Subsidiaries	From 28th March, 2008:
	Thomas Cook Overseas Limited, Egypt Thomas Cook Tour Operations Limited, UK Thomas Cook Signature Limited, UK Thomas Cook Reisen, Germany Neckermann Reisen, Germany Thomas Cook AG, Germany Thomas Cook Northern Europe
(ii) Key Management Personnel	Upto 27th March, 2008:
	Thomas Cook Overseas Limited, Egypt Madhavan Menon Vinayak K. Purohit Rakshit Desai (from 25th November, 2008) Nalini Gupta Parag Mehta Amitabh Pandey Dr. Prasanth Nair R. R. Kenkare Gautam Sharma (Up to 31st August, 2008)
(iii) Relatives of Key Management Personnel	Lili Menon
(iv) Company in which a Director has significant influence	Upto 30th March, 2008 LKP Merchant Financing Limited

(C) Disclosure of transactions between the Company and related parties and outstanding balances as at the year end:

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
(i) Holding Company				
License Fees paid				
Thomas Cook UK Limited		13,084,508		—
Dividend Remitted				
TCIM Limited, UK		43,750,000		43,750,000
Thomas Cook UK Limited		1,127,300		—
Dubai Financial LLC		4,790,005		5,917,305
(ii) Fellow Subsidiaries				
Sale of Services*				
Thomas Cook Tour Operations Limited, UK	247,930,004		—	
Thomas Cook AG, Germany	26,107,765		—	
Neckermann Reisen, Germany	9,798,991		—	
Thomas Cook Overseas Limited, Egypt	—		474,755	
Thomas Cook, Northern Europe	47,365,639		—	
Others	1,851,926		—	
		333,054,325		474,755
Services Availed				
Thomas Cook Overseas Limited, Egypt		11,404,357		5,852,756

## Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
Outstanding Receivables				
Thomas Cook Tour Operations Limited, UK	3,810,523		—	
Thomas Cook AG, Germany	4,954,881		—	
Neckermann Reisen, Germany	2,739,858		—	
Thomas Cook, Northern Europe	28,568,774		—	
Others	378,093		—	
		40,452,129		—
Outstanding Payables				
Thomas Cook Overseas Limited, Egypt		3,137,655		2,465,865
*Sale value of transactions				
(iii) Key Management Personnel Remuneration#				
Madhavan Menon	16,969,504		16,361,969	
Vinayak K. Purohit	15,610,800		9,854,349	
Rakshit Desai	2,473,348		—	
Nalini Gupta	13,944,100		7,498,797	
Parag Mehta	8,473,577		6,239,517	
Amitabh Pandey	6,060,333		3,341,945	
Dr. Prasanth Nair	7,199,790		5,448,700	
R. R. Kenkare	8,299,869		6,379,261	
Gautam Sharma	5,446,659		8,058,136	
Robin Banerjee	—		176,380	
		84,477,980		63,359,054
#Gratuity is contributed for the Company as a whole and hence excluded.				
(iv) Relative of Key Management Personnel				
Rent Expense				
Lili Menon		1,765,500		—
Balance as at the year end -				
Deposit Receivable				
Lili Menon		16,500,000		3,500,000
(v) Company in which a Director has significant influence				
LKP Merchant Financing Limited		5,819,402		27,955,901
(f) Disclosures for Leases				
(A) Finance Leases - Vehicles				
(i) Minimum Lease Payments payable				
- Not later than one year		2,072,006		2,207,521
- Later than one year but not later than five years		3,296,979		4,250,319
		5,368,985		6,457,840
(ii) Present Value of Minimum Lease Payments payable				
- Not later than one year		1,619,784		1,705,002
- Later than one year but not later than five years		2,715,037		3,280,364
		4,334,821		4,985,366

## Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
(iii) Reconciliation of Minimum Lease Payments and their Present Value		
- Minimum Lease Payments Payable as per (i) above	5,368,985	6,457,840
- Less: Finance Charges to be recognised in subsequent years	1,034,164	1,472,474
- Present Value of Minimum Lease Payments payable as per (ii) above	4,334,821	4,985,366
(iv) Finance Charges recognised in the Profit and Loss Account	662,483	1,007,727
(B) Operating Leases		
Disclosures in respect of agreements for office and residential premises taken on lease		
(i) Lease payments recognised in the Profit and Loss Account	204,218,424	211,967,427
(ii) Significant leasing arrangements		
- The Company has given refundable interest free security deposits under certain agreements.		
- The lease agreements are for a period of eleven months to ninety years		
- The lease agreements are cancellable at the option of either party by giving one month to six months' notice		
- Certain agreements provide for increase in rent		
- Some of the agreements contain a provision for their renewal		
(iii) Future minimum lease payments under non-cancellable agreements		
- Not later than one year	24,941,629	40,554,696
- Later than one year and not later than five years	23,064,895	48,733,459
(g) In determining earnings per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of dilutive potential equity shares. Earnings per Share has been computed as under:		

## Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2008

### SCHEDULE "Q" (contd.)

	Year ended 31st December, 2008	Year ended 31st December, 2007
	Rupees	Rupees
Profit attributable to Equity Shareholders *	357,446,623	468,652,085
Weighted average number of shares - Basic	160,787,028	160,782,330
Weighted average number of shares - Diluted	166,755,938	166,738,325
Basic Earnings per Share before Exceptional Item (Rs. per Equity Share of Re. 1 each)	2.42	2.91
Basic Earnings per Share after Exceptional Item (Rs. per Equity Share of Re. 1 each)	2.22	2.91
Diluted Earnings per Share before Exceptional Item (Rs. per Equity Share of Re. 1 each)	2.34	2.82
Diluted Earnings per Share after Exceptional Item (Rs. per Equity Share of Re. 1 each)	2.15	2.82
* Proposed Dividend amounting to Rs. 15,809,100 including Corporate Dividend Tax on Preference shares outstanding during the year has been considered in determining the EPS for year ended 31st December, 2008.		
(h) Turnover includes		
(i) Brokerage and Incentives paid netted off Rs. 240,993,930 (Previous Year Rs. 229,822,495).		
(ii) Exchange profit on revaluation of Nostro and other Bank Accounts used for holding foreign currency for travel business Rs. 24,409,780 (Previous Year loss Rs. 24,882,000).		
(i) During the Previous year ended 31st December, 2007, one of the subsidiaries, Travel Corporation (India) Limited has changed the method of providing depreciation on fixed assets from Written Down Value (WDV) method to Straight Line Method (SLM) with effect from 1st January, 2007. Accordingly, depreciation has been recalculated in accordance with SLM from the date the assets were put to use and surplus of Rs. 18,134,971 in respect of earlier years has been netted off from the depreciation charge for the year ended 31st December, 2007. Consequent to such change in the method, the depreciation charge for the year ended 31st December, 2007 is lower by Rs. 18,134,971 with corresponding impact on the profit for that year.		
(j) The Company has considered Non Compete Fees paid during the financial year ended 31st December, 2007 as an allowable expenditure for the purpose of computing the provision for tax for the year ended 31st December, 2007 based on legal opinion. The assessment proceedings for the relevant assessment year have not been completed.		
(k) Subsequent to the Annual General Meeting of the Company held on 27th June, 2008, the Company has appointed an Executive Director for a period of two years with effect from 25th November, 2008 and the company has paid remuneration of Rs. 2,473,348 for the period. The appointment and remuneration of the said Executive Director is subject to the approval of the members in the general meeting and the Central Government of India for which an application has been made.		
(l) The Management has reviewed the operations of its various Branches/Divisions and based on this review during the year ended 31st December, 2008 the Management has :		
(i) Closed travel/ forex branches and thereby incurred sum of Rs. 13,566,679 on account of Personnel cost, Professional Fee and loss on disposal of assets.		
(ii) Closed a Division Subsidiary Company and incurred a sum of Rs. 56,329,477 on account of personnel cost and loss on disposal of assets.		
(iii) Disposed the surplus properties and booked the profit of Rs. 11,127,688.		



## Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2008

### SCHEDULE “Q” (contd.)

- (m) During the year the Company has issued 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10 each amounting to Rs.1,050,000,000 redeemable on 29th January, 2009 @ 10% premium. The premium on preference shares was to be adjusted against the Share Premium account arising on the rights issue scheduled to be completed before 31st December, 2008. However, the rights issue opened only on 31st December, 2008 and got closed on 14th January, 2009. The company has adjusted the premium on redemption of preference shares against the Share Premium received on the rights issue. The total proceeds relating to rights issue amounting to Rs. 1,798,099,815 (including premium Rs.1,747,449,116) was received prior to the date of redemption of preference shares and the resultant premium on rights issue was more than sufficient to adjust the premium on redemption of preference shares.
- (n) During the year ended 31st December, 2008, the Company has paid charges of Rs. 31,896,150 on issue of preference shares. This included payments on account of fees paid to Registrar of Companies, franking and stamping charges as well as advisory fees for structuring the preference share issue. The same has been disclosed as an Exceptional Item.
- (o) Employees of the Company and other parties misappropriated assets aggregating to Rs. 7,251,682 during the year. The Company has recovered Rs. 4,047,146 so far. The cases are under investigation and Company has taken steps for recovering the balance amount. There is no open exposure on the profit for the year in respect of misappropriated assets except for Rs. 751,100.
- (p) Subsequent Event  
During the current year, the Company came out with Rights issue of 56,278,554 fully paid-up Equity shares in ratio of 35 (thirty five) fully paid up equity shares for every 100 (hundred) fully paid up Equity Share held by the existing shareholders on the record date 27th December, 2008. Pursuant to this the Company at its Committee held on 21st January, 2009 allotted 50,650,699 fully paid up Equity Shares of Re 1/- each for cash at a price of Rs. 35.50 (including a share premium of Rs. 34.50) per equity share aggregating to Rs. 1,798,099,815. The shares thus allotted rank pari passu with the existing shares of the Company with respect to the dividends declared by the Company for the year ended 31st December, 2008 and the proposed dividend has been determined accordingly.
- (q) Previous Year figures have been regrouped where necessary.

For and on behalf of the Board

UDAYAN BOSE	– CHAIRMAN
MADHAVAN MENON	– MANAGING DIRECTOR
VINAYAK K. PUROHIT	– EXECUTIVE DIRECTOR – FINANCE
RAKSHIT DESAI	– EXECUTIVE DIRECTOR – TRAVEL SERVICES
R. R. KENKARE	– PRESIDENT & HEAD – LEGAL & COMPANY SECRETARY

Mumbai, 27th February, 2009

## Consolidated Cash Flow Statement for the year ended 31st December, 2008

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation and after Exceptional Item	599,281,008	655,991,265
Adjustments for –		
Depreciation	110,764,019	88,437,895
Discounting charge for Employee Stock Option	2,734,702	970,262
Interest and Other Finance Expenses	352,474,235	315,348,932
Dividend Income	(46,222)	(1,012,722)
Loss/(Profit) on Sale of Fixed Assets (Net)	4,043,486	(48,602,271)
Profit on Redemption of Long-term Investment	(358,368)	(22,637)
Preliminary expenses incurred/written off	122,075	(10,000)
	<u>469,733,927</u>	<u>355,109,459</u>
Operating profit before working capital changes	1,069,014,935	1,011,100,724
Adjustments for –		
Trade and Other Receivables	363,253,539	(208,988,026)
Trade and Other Payables	(233,923,995)	(505,446,555)
	<u>129,329,544</u>	<u>(714,434,581)</u>
Cash generated from operations	1,198,344,479	296,666,143
Direct Taxes paid (Net of refund of taxes)	(289,791,709)	(421,774,040)
Net cash from/(used in) operating activities	908,552,770	(125,107,897)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(103,990,467)	(187,080,192)
Sale of Fixed Assets	26,945,895	86,067,153
Payment to Minority Shareholders	–	(11,471,838)
Sale/Redemption of Investments	5,142,250	120,541,691
Interest Received	5,378,231	12,134,719
Dividend Received	46,222	1,012,722
Net cash from/(used in) investing activities	(66,477,869)	21,204,255
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment of)/Proceeds from Borrowings (net)	(249,125,981)	340,556,918
Payment of Finance Lease liability	(3,504,466)	(7,820,720)
Proceeds from Issue of Share Capital	17,997,991	–
Interest and Other Finance Expenses paid	(363,570,473)	(323,847,981)
Dividend Paid	(127,583,900)	(84,511,879)
Tax on Dividend Paid	(21,645,791)	(13,662,478)
Net cash from/(used in) financing activities	(747,432,620)	(89,286,140)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>94,642,281</u>	<u>(193,189,782)</u>
Cash and Cash Equivalents – Opening Balance	1,723,873,552	1,917,063,334
Cash and Cash Equivalents – Closing Balance	1,818,515,833	1,723,873,552

**Note:**

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, issued by The Institute of Chartered Accountants of India.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 27th February, 2009

For and on behalf of the Board

UDAYAN BOSE	–	CHAIRMAN
MADHAVAN MENON	–	MANAGING DIRECTOR
VINAYAK K. PUROHIT	–	EXECUTIVE DIRECTOR – FINANCE
RAKSHIT DESAI	–	EXECUTIVE DIRECTOR – TRAVEL SERVICES
R. R. KENKARE	–	PRESIDENT & HEAD – LEGAL & COMPANY SECRETARY

Mumbai, 27th February, 2009

## Directors' Report

### TO THE MEMBERS OF:

### TRAVEL CORPORATION (INDIA) LIMITED

The Directors present their Forty-Eighth Annual Report together with the Audited Statement of Accounts for the financial year ended 31st December, 2008.

### FINANCIAL RESULTS:

The financial results of the Company are summarised below:

	Rupees in Millions	
	Year ended 31st December, 2008	Year ended 31st December, 2007
Profit before Depreciation & Taxation	35.11	209.70
Depreciation	18.49	7.19
Profit before Taxation	16.62	202.51
Provision for Taxation	8.75	64.60
Profit after taxation	7.87	137.91
Balance brought forward from previous year	415.81	257.90
Transfer from Reserve under S.80HHD of the Income Tax Act, 1961	—	20.00
Transfer from Reserve Utilised under S.80HHD of the Income-tax Act, 1961	—	—
Balance carried forward to Balance Sheet	423.68	415.81

### OPERATIONS

Profit for the year was affected due to the slowdown and stood at Rs. 16.60 million.

### DIVIDEND

With a view to conserve the resources of the Company, your Directors do not recommend any dividend for the financial year under report.

### DIRECTORS

Mr. Hoshang Billimoria retires by rotation and being eligible, offers himself for re-appointment. Mr. Rakshit Desai was appointed as an Additional Director of the Company effective from 19th January 2009. By virtue of Section 260 of the Companies Act, 1956 he holds office upto the date of the ensuing Annual General Meeting and in respect of him, the Company has received a notice in writing under Section 257 of the Companies

Act, 1956 proposing the candidature for the office of Director of the Company at the forthcoming Annual General Meeting.

Mr. Madhavan Menon has resigned as Director of the Company effective from 19th January 2009. The Board hereby place on record the sincere appreciation of valuable advice given by him during the tenure of his office as Director of the Company.

### INFORMATION AS REQUIRED UNDER SECTION 217 (1)(E) OF THE COMPANIES ACT, 1956:

In view of nature of business, the information regarding conservation of energy and technology absorption are not given.

During the year under report, foreign exchange earnings were Rs. 1,199,915,821/- and outgo was Rs. 69,310,549/- towards legal & professional fees as well as travelling, advertisement, subscription, etc. including expenditure incurred by foreign branches.

### PARTICULARS OF EMPLOYEES

The particulars of employees required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are annexed hereto.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently except where otherwise stated in the notes to the accounts and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. The internal auditors have conducted periodic audits to provide reasonable assurances that established policies and procedures of the Company have been followed. However, it must be recognised that there are inherent limitations in weighing the assurances provided by any system on internal controls;

## Directors' Report

- d) the Directors have prepared the annual accounts on a going concern basis.

### COMPLIANCE CERTIFICATE

A Compliance Certificate from a secretary in whole-time practice under Section 383A of the Companies Act, 1956 in respect of the year ended on 31st December, 2008 is attached hereto.

### AUDITORS

The Company has received a letter from M/s. Lovelock Lewes & Company, Chartered Accountants, stating that their appointment,

if made, will be within the limit laid down under Section 224(1B) of the Companies Act, 1956. The Board recommends the appointment of M/s. Lovelock Lewes & Company as auditors of the Company.

FOR AND ON BEHALF OF THE BOARD

VINAYAK K. PUROHIT – DIRECTOR

NALINI GUPTA – DIRECTOR

Place: Mumbai

Date: 20th February, 2009

## Annexure to the Directors' Report

### Statement of Particulars of Employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st December, 2008

Sr. No.	Emp_Name	Age	Designation	Remuneration Received	Nature of Duties	Qualification	Total Experience	Date of Joining	Last Employment	Remarks
1	* Ahuja Sunil Kumar	51	Supervisor - Transport	893,046	Responsible for Transport Dept. - Delhi	H.S.C.	36 Yrs.	2-Nov-79	Maharaja Tourist Services	Remuneration includes Closure Compensation paid as per law
2	Gomes Pereira Aravin	53	Chief Oper. Off. - Charters & Goa	3,259,532	Responsible for Charters Business	B.A.	26 Yrs.	1-Apr-87	Holiday Inn	
3	* Khanna Pushpinder K.	54	Dy. General Manager	1,612,568	Responsible for Credit Control Dept. - Delhi	B.Com.	34 Yrs.	23-May-77	Kapoor & Saigal Fabrics	Remuneration includes Closure Compensation paid as per law
4	* Makar Pradeep Kumar	51	Asst. Manager - Accounts	864,366	Responsible for Leisure Travel Accounts - Delhi	B.Com.	29 Yrs.	1-Aug-79	Started with Travel Corporation (I) Ltd.	Remuneration includes Closure Compensation paid as per law
5	* Nayar Sudheer	55	Regional Director - South India	3,300,661	Responsible for South India Branches	M.A (Economics)	32 Yrs.	10-Jun-77	Started with Travel Corporation (I) Ltd.	
6	* Patel Irshad I.	52	Associate Vice President	2,609,480	Incharge of Leisure Travel Inbound Dept. - Mumbai	F.Y.B.A.	31 Yrs.	15-Dec-97	Molstar Travel Pvt. Ltd.	Remuneration includes Closure Compensation paid as per law
7	* Pestonji Bakhtawar Percy	53	Assistant Manager	2,163,857	Responsible for Operational and Administrative work of Leisure Travel Inbound Dept. - Mumbai	S.S.C.	35 Yrs.	16-Oct-73	Wesix Chemicals	Remuneration includes Closure Compensation paid as per law
8	* Saxena S. K.	54	Manager	2,807,670	Responsible for Leisure Travel Lucknow	B.Com.	33 Yrs.	15-Apr-75	Started with Travel Corporation (I) Ltd.	Remuneration includes Closure Compensation paid as per law
9	Shahdaddpuri Variender G.	52	Vice President	2,467,787	Responsible for Spanish and German Business Inbound	B.A.	33 Yrs.	9-Jun-03	HILLORI N.Y.	

- Notes: 1. Remuneration as shown above includes Salary, Bonus, Commission, House Rent Allowance, Company's contribution to Provident Fund and other funds and expenditure incurred by the Company on Housing, Car, Electricity, Water, Gas, Medical and Leave Travel Allowance and other allowances. Wherever the actual costs are not ascertainable, monetary value of those perquisites as per Income-tax Rules, 1962 has been considered.
2. Gratuity is contributed for the Company as a whole and hence excluded.
3. None of the employees mentioned above is a relative of any Director of the Company.
4. \* Employed for part of the year and in receipt of remuneration aggregating to Rs. 2,00,000/- per month.

Place: Mumbai  
Date: 20th February, 2009

FOR AND ON BEHALF OF THE BOARD

VINAYAK K. PUROHIT – DIRECTOR  
NALINI GUPTA – DIRECTOR

## Compliance Certificate

Registration No.: U63040MH1961PLC12067

Authorised Capital: 2,00,00,000/-

To,

The Members

**TRAVEL CORPORATION (INDIA) LIMITED**

Chander Mukhi, Nariman Point,

Mumbai 400 021

We have examined the registers, records, books and papers of **TRAVEL CORPORATION (INDIA) LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st December, 2008. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as mentioned in the said annexure.
3. The Company being a public limited Company, comments that a Private Limited Company has minimum prescribed capital, maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 5 (Five) times on 21.02.2008, 19.03.2008, 30.06.2008, 28.07.2008, and on 20.10.2008 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the year as it was not required to close the same.
6. The Annual General Meeting for the financial year ended on 31st December, 2007 was held on 25th April 2008 after giving due notice to the members of the Company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or the previous approval of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
- (ii) The Company has not deposited dividend amount in a separate Bank Account as no dividend was declared during the financial year.
- (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year. There were no unpaid dividends in the Company.

- (iv) There are no unpaid dividends, application money due for refund, matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
- (v) The Company has duly complied with the requirements of Section 217 of the Act.
- 14. The Board of Directors of the Company is duly constituted and the appointment of additional directors, alternate directors and directors to fill casual vacancies have been duly made.
- 15. The Company has not appointed any Managing Director/ Whole-time Directors/ Manager during the financial year.
- 16. The Company has not appointed any sole selling agents during the financial year.
- 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
- 18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- 19. The Company has not issued any shares, debentures or other securities during the financial year.
- 20. The Company has not bought back any shares during the financial year.
- 21. There was no redemption of Preference Shares/Debentures during the financial year.
- 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23. The Company has not invited/accepted any Deposit including any unsecured loans falling within the purview of Section 58A during the financial year.
- 24. The Company has not made any borrowings during the financial year ended 31st December, 2008.
- 25. The Company has made investments during the financial year in compliance with the provisions of the Act.
- 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
- 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
- 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
- 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
- 30. The Company has not altered its Articles of Association during the year under scrutiny.
- 31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
- 32. The Company has not received any money as security from its employees during the financial year.
- 33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For PARIKH & ASSOCIATES

Place : Mumbai  
Date : 20th February, 2009

P. N. Parikh  
Company Secretary  
C. P. No.: 1228

## **Annexure 'A'**

97

### **Statutory Registers as maintained by the Company:**

1. Register of charges u/s 143 of the Act.
2. Register of Members u/s 150 and Index of Members u/s 151 of the Act.
3. Minutes Book of Board Meetings u/s 193 of the Act (in loose leaf).
4. Minutes Book of General Meetings u/s 193 of the Act (in loose leaf).
5. Books of Account u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
6. Register of Contracts u/s 301 of the Act.
7. Register of disclosure of interest u/s 301 of the Act.
8. Register of particulars of Directors etc. u/s 303 of the Act.
9. Register of Directors' Shareholding u/s 307 of the Act.
10. Register of loans/ Investments u/s 372A of the Act.

### **Other Registers:**

1. Register of transfers, transmission.
2. Attendance Register of Board Meetings.
3. Attendance Register of General Meetings.

Place : Mumbai  
Date : 20th February, 2009

For PARIKH & ASSOCIATES

P. N. Parikh  
Company Secretary  
C. P. No.: 1228

**Annexure 'B'**

**Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on 31st December 2008.**

Sr. No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form 23 AC and Form 23ACA alongwith Annual Report for the year ended 31.12.2007	220	Approved at the Annual General Meeting held on 25.04.2008	24.05.2008	Yes	N.A
2	Form 66 Alongwith Compliance Certificate	383A	Financial year ended 31.12.2007	29.05.2008	No	Yes
3	Form 20B alongwith Annual Return made as on 25.04.2008	159	Annual General Meeting held on 25.04.2008	23.06.2008	Yes	N.A.
4	Form 32	303	Appointment of Mr. Vinayak K. Purohit as Additional Director on 19.03.2008	09.04.2008	Yes	N.A
5	Form 32	303	Resignation of Mr. Pradip Madhavji as Director on 19.03.2008	09.04.2008	Yes	N. A
6	Form 32	303	Appointment of Mrs. Nalini Gupta and Appointment of Mr. Vinayak K. Purohit as Directors in AGM	24.05.2008	Yes	N.A
7	22B	187C(4)	Declaration of beneficial interest by the person referred to in Section 187C of the Companies Act, 1956.	08.09.2008	Yes	N.A

For PARIKH & ASSOCIATES

Place : Mumbai  
Date : 20th February, 2009

P. N. Parikh  
Company Secretary  
C. P. No.: 1228



## Auditors' Report

### To the Members of Travel Corporation (India) Limited

99

1. We have audited the attached Balance Sheet of Travel Corporation (India) Limited, as at 31st December, 2008, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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 a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have 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 appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on 31st December, 2008 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2008 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2008;
  - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 20th February, 2009

## Annexure to the Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Travel Corporation (India) Limited on the financial statements for the year ended 31st December, 2008]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clauses (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable to the Company for the current year.
3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. There are no purchases of inventory and sale of goods. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
4. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act during the year that need to be entered in the register maintained under that section. Accordingly, Clause (v)(b) of paragraph 4 of the Order is not applicable to the Company for the current year.
5. The Company has not accepted any deposits from the public within the meaning of sections 58A & 58AA of the Act and the rules framed there under.
6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
7. (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 including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, customs duty, cess and other material statutory dues as applicable with the appropriate authorities in India.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, customs duty and cess which have not been deposited on account of any dispute. The particulars of dues of income-tax and service tax as at 31st December, 2008 which have not been deposited on account of a dispute, are as follows –

Name of the statute	Nature of dues	Amount (Rupees)	Year/Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax on certain disallowances	146,174,773	Assessment year 1995-1996 to Assessment year 2001-2002	Income Tax Appellate Tribunal
Service Tax Rules, 1994	Service Tax on Outbound Tours	19,009,865	10th September, 2004 to 30th September, 2007	Commissioner Service Tax

## Annexure to the Auditors' Report

101

8. The Company has no accumulated losses as at 31st December, 2008 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder.
10. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
13. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
14. The Company has not obtained any term loans.
15. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.
16. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
17. The Company has not issued any debentures.
18. The Company has not raised any money by public issue during the year.
19. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
20. According to the information and explanations given to us and taking into consideration the nature of business of the Company, the matters specified in Clauses (ii) and (viii) of paragraph 4 of the Order are not applicable to the Company.

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants  
Mumbai, 20th February, 2009

## Balance Sheet as at 31st December, 2008

	Schedule	As at 31st December, 2008		As at 31st December, 2007	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Capital	A	15,766,980		15,766,980	
Reserves and Surplus	B	524,465,335		516,601,513	
			540,232,315		532,368,493
<b>LOAN FUNDS</b>					
Secured Loans	C		125,459		20,421,572
<b>TOTAL</b>			<u>540,357,774</u>		<u>552,790,065</u>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>	D				
Gross Block		225,408,826		267,936,725	
Less: Depreciation		149,101,462		164,147,417	
Net Block		76,307,364		103,789,308	
Advance for Capital expenditure		4,432,905	80,740,269	—	103,789,308
<b>INVESTMENTS</b>	E		—		1,379,221
<b>DEFERRED TAXATION (NET)</b>	F				
Deferred Tax Assets		20,386,943		11,044,643	
Less: Deferred Tax Liability		10,387,925		10,329,664	
			9,999,018		714,979
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Sundry Debtors	G	452,726,198		563,455,140	
Cash and Bank Balances	H	299,098,018		141,987,987	
Loans and Advances	I	186,504,805		157,140,368	
		<u>938,329,021</u>		<u>862,583,495</u>	
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>					
Liabilities	J	464,569,632		396,324,950	
Provisions	K	24,140,902		19,351,988	
		<u>488,710,534</u>		<u>415,676,938</u>	
<b>NET CURRENT ASSETS</b>			449,618,487		446,906,557
<b>TOTAL</b>			<u>540,357,774</u>		<u>552,790,065</u>
Notes to the Financial Statements	P				
Schedules "A" to "K" and "P" referred to above form an integral part of the Balance Sheet.					

In terms of our report of even date

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants  
Mumbai, 20th February, 2009

For and on behalf of the Board of Directors

HOSHANG S. BILLIMORIA — CHAIRMAN  
VINAYAK K. PUROHIT — DIRECTOR  
RAKSHIT DESAI — DIRECTOR  
NALINI GUPTA — DIRECTOR

Mumbai, 20th February, 2009

## Profit and Loss Account for the year ended 31st December, 2008

	Schedule	Year ended 31st December, 2008		Year ended 31st December, 2007	
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Income From Operations (Net)		427,729,757		600,392,466	
Other Income	L	52,169,149		68,876,141	
			479,898,906		669,268,607
<b>EXPENDITURE</b>					
Personnel Cost	M	284,112,461		271,877,066	
Advertisement and Business Promotion		8,916,769		31,194,559	
Other Expenses	N	148,170,222		152,797,809	
Interest and Other Finance Expenses	O	3,587,911		3,695,499	
Depreciation	D	18,494,036		7,193,374	
			463,281,399		466,758,307
Profit before Taxation			16,617,507		202,510,300
<b>PROVISION FOR TAXATION</b>					
Current Tax		15,000,000		61,000,000	
(Excess)/Short Provision of Income Tax for earlier years		—		(2,531,808)	
Fringe Benefit Tax		2,937,724		4,312,917	
Wealth Tax		100,000		100,000	
Deferred Tax		(9,284,039)		1,718,894	
			8,753,685		64,600,003
<b>Profit after Taxation</b>			7,863,822		137,910,297
Add: Transfer from Reserve created under Section 80HHD of the Income-tax Act, 1961			—		20,000,000
Balance brought forward			415,814,368		257,904,071
			423,678,190		415,814,368
<b>APPROPRIATIONS</b>					
Transfer to General Reserve			—		—
Balance carried to Balance Sheet			423,678,190		415,814,368
			423,678,190		415,814,368
Earnings per Share – Basic and Diluted			4.99		87.47
[Rs. per Equity Share of Rs. 10 each]					
[Refer Note 2(k) of Schedule “P”]					
Notes to the Financial Statements	P				
Schedules “D” and “L” to “P” referred to above form an integral part of the Profit and Loss Account.					

In terms of our report of even date

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants  
Mumbai, 20th February, 2009

For and on behalf of the Board of Directors

HOSHANG S. BILLIMORIA — CHAIRMAN  
VINAYAK K. PUROHIT — DIRECTOR  
RAKSHIT DESAI — DIRECTOR  
NALINI GUPTA — DIRECTOR

Mumbai, 20th February, 2009

## Schedules forming part of the Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "A" : CAPITAL</b>				
Authorised				
2,000,000 Equity Shares of Rs. 10 each		20,000,000		20,000,000
Issued and Subscribed				
1,576,698 Equity Shares of Rs. 10 each fully paid-up, all held by the holding company, Thomas Cook (India) Limited and its nominees		15,766,980		15,766,980
Of the above:				
(a) 41,660 Equity shares were allotted pursuant to a contract without payment being received in cash				
(b) 1,462,504 Equity shares were allotted as fully paid-up bonus shares by capitalisation of General Reserve				
<b>SCHEDULE "B" : RESERVES AND SURPLUS</b>				
Reserve as required under Section 80HHD of the Income-tax Act, 1961				
Balance as per last Balance Sheet	—		20,000,000	
Less: Transfer to Profit and Loss Account	—	—	20,000,000	—
<b>General Reserve</b>				
Balance as per last Balance Sheet		100,627,008		100,627,008
<b>Capital Reserve</b>				
Balance as per last Balance Sheet		160,137		160,137
<b>Profit and Loss Account</b>		423,678,190		415,814,368
		524,465,335		516,601,513
<b>SCHEDULE "C" : SECURED LOANS</b>				
Cash Credit Account with Banks		—		18,391,812
(Secured by Hypothecation of Book Debts)				
Hire Purchase Loan	129,340		2,104,364	
Less: Unmatured Finance Charges	(3,881)		(74,604)	
[Principal amount payable within one year Rs. 125,459 (Previous Year: Rs. 1,904,301)]		125,459		2,029,760
		125,459		20,421,572
[Hire purchase loan is secured by a lien on said vehicles]				

# Schedules forming part of the Balance Sheet as at 31st December, 2008

## SCHEDULE “D” : FIXED ASSETS

(Rupees)

Description	Gross Block (at cost)			Depreciation/Amortisation			Net Block	
	As at 1st January, 2008	Additions	Deductions	As at 31st December, 2008	For the Year	On Deductions	As at 31st December, 2008	As at 31st December, 2007
<b>Intangible Assets</b>								
Software	12,417,685	2,174,166	21,514	14,570,337	2,466,188	21,469	4,300,615	4,592,682
<b>Tangible Assets</b>								
Freehold Properties	67,233,741	120,000	9,344,999	58,008,742	1,057,695	6,135,670	28,038,049	32,185,073
Leasehold Improvements	2,373,466	—	2,373,466	—	10,143	1,646,390	—	737,219
Furniture and Fittings	31,808,121	1,617,163	5,005,281	28,420,003	2,118,928	4,326,225	10,224,774	11,405,595
Computers	47,777,679	3,244,925	1,198,840	49,823,764	6,180,814	1,165,897	6,298,388	9,267,220
Office Equipment	33,580,557	978,978	2,391,066	32,168,469	1,512,355	1,503,987	17,629,937	19,050,393
Vehicles	72,745,476	—	30,327,965	42,417,511	5,147,913	18,740,353	9,815,601	26,551,126
	267,936,725	8,135,232	50,663,131	225,408,826	18,494,036	33,539,991	76,307,364	103,789,308
<i>Previous Year</i>	<i>293,024,038</i>	<i>7,494,015</i>	<i>32,581,328</i>	<i>267,936,725</i>	<i>7,193,374</i>	<i>24,526,694</i>	<i>103,789,308</i>	

### NOTES:

- Freehold Properties include:
  - Rs. 12,100,000 (*Previous Year Rs. 12,100,000*) being cost of 65 Debentures of the face value for Rs. 7,800 each (net of redemption) conferring occupancy rights of a portion of a building (Chandermukhi) as office premises and 900 equity shares of the face value of Rs.100/- each of R.R. Investments and Estates Ltd.
  - 80 (*Previous Year 92,850*) unquoted fully paid-up Shares of Rs. 50 in various co-operative housing societies.
- Cost of vehicles includes Rs. 1,256,619 (*Previous Year Rs. 8,489,119*) being cost of Assets purchased on hire purchase basis on which the vendors have a lien.

## Schedules forming part of the Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "E" : INVESTMENTS</b>				
(Non-Trade, Unquoted, Fully paid)				
Long-term (at cost)				
In Government Securities of face value of Rs. 500 each		—		500
Current Investment				
- NIL (Previous Year 125,565) Units of Rs. 10 each of LIC Mutual Fund Liquid Fund - Daily Dividend Plan		—		1,378,721
		—		1,379,221
		Units		Units
Investments purchased and sold during the year				
- Units of Rs. 10 each of LIC Mutual Fund Liquid Fund - Daily Dividend Plan		269		31,791,555
<b>SCHEDULE "F" : DEFERRED TAXATION (NET)</b>	Rupees	Rupees	Rupees	Rupees
Deferred Tax Assets				
On Provisions Allowable for tax purposes when paid	10,643,321		6,843,235	
On Provision for Doubtful Debts and Advances	9,743,622		4,201,408	
		20,386,943		11,044,643
Less: Deferred Tax Liability				
On Fiscal Allowances on Fixed Assets		10,387,925		10,329,664
		9,999,018		714,979
<b>SCHEDULE "G" SUNDRY DEBTORS</b>				
Unsecured, Considered Good				
Outstanding exceeding six months	20,017,140		12,474,201	
Others	432,709,058		550,980,939	
		452,726,198		563,455,140
Unsecured, Considered Doubtful				
Outstanding exceeding six months	28,666,142		12,360,717	
Less: Provision for Doubtful Debts	28,666,142		12,360,717	
		—		—
		452,726,198		563,455,140



## Schedules forming part of the Balance Sheet as at 31st December, 2008

	As at 31st December, 2008		As at 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "H" : CASH AND BANK BALANCES</b>				
Cash and Cheques on Hand		1,040,664		3,178,038
Remittances in Transit		—		33,611,350
Balances with Scheduled Banks				
on Current Accounts	69,998,441		78,250,298	
on Deposit Accounts	227,320,233		21,746,080	
(on lien with various authorities)		297,318,674		99,996,378
Balances with Non-Scheduled Banks				
Lloyds Bank London, London	240,807		148,708	
(maximum balance during the year Rs. 431,261 - Previous Year Rs. 820,857)				
JP Morgan Chase Bank, New York	497,873		5,053,513	
(maximum balance during the year Rs. 4,712,264 - Previous Year Rs. 26,327,854)				
		738,680		5,202,221
		299,098,018		141,987,987
<b>SCHEDULE "I" : LOANS AND ADVANCES</b>				
(Unsecured, Considered Good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received		98,854,129		126,661,136
Tax Payments less Provisions		87,650,676		30,479,232
		186,504,805		157,140,368
<b>SCHEDULE "J" : LIABILITIES</b>				
Sundry Creditors other than Micro and Small and Medium Scale Business Entities* [Refer Note 2(f) of Schedule "P"]		372,719,753		319,190,721
Advance Payments from Customers for which value is still to be given		87,178,622		71,124,593
Other Liabilities		4,671,257		6,009,636
		464,569,632		396,324,950
*Includes Book Overdrafts aggregating to Rs. 34,684,101 (Previous Year: Rs. 24,425,684)				
<b>SCHEDULE "K" : PROVISIONS</b>				
Provision for Leave Encashment		5,518,695		5,183,732
Provision for Gratuity		18,622,207		14,168,256
		24,140,902		19,351,988

## Schedules forming part of the Profit and Loss Account for the year ended 31st December, 2008

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "L" : OTHER INCOME</b>				
Dividend on Current Investments - Non Trade		3,213		453,165
Rent		157,617		2,111,880
Foreign Exchange Gain (Net)		29,609,338		2,104,811
Sundry credit balances written back		13,504,175		42,087,018
Profit on Sale of Fixed Assets (Net) (Refer Note 2(m))		6,704,081		8,620,749
Provision for Doubtful Debts and Advances no longer required written back (Net)		—		7,028,946
Provision for Leave Encashment written back (Net)		—		3,398,613
Miscellaneous Income		2,190,725		3,070,959
		<u>52,169,149</u>		<u>68,876,141</u>
<b>SCHEDULE "M" : PERSONNEL COST</b>				
Salaries, Wages and Bonus (Refer Note 2(m))		237,306,688		222,219,173
Contribution to Provident and Other Funds		10,682,449		14,090,097
Premium on/Provision for Gratuity-cum-Life Assurance Policy (Refer Note 2(m))		13,709,300		8,822,655
Staff Welfare Expenses		20,790,365		15,316,948
Staff Training, Recruitment and Other Costs		621,190		948,943
Incentive/Commission to Staff and Directors		1,002,469		10,479,250
		<u>284,112,461</u>		<u>271,877,066</u>
<b>SCHEDULE "N" : OTHER EXPENSES</b>				
Rent		9,808,930		12,909,611
Rates and Taxes		1,530,340		2,782,526
Insurance		894,097		2,982,278
Repairs and Maintenance				
Buildings	567,167		914,504	
Others	<u>15,213,523</u>		<u>11,461,032</u>	
		15,780,690		12,375,536

## Schedules forming part of the Profit and Loss Account for the year ended 31st December, 2008

109

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "N" (contd.)</b>				
Electricity		9,803,032		11,078,736
Printing and Stationery		5,614,823		7,688,114
Postage, Telegrams, Telex and Telephones		21,801,267		24,191,764
Legal and Professional Charges		24,955,853		35,868,093
Auditors' Remuneration				
Audit Fees	2,500,000		2,500,000	
Reports under the provisions of the Income-tax Act, 1961	1,000,000		675,000	
Miscellaneous Reports	1,000,000		—	
Reimbursement of Expenses	40,889		—	
		4,540,889		3,175,000
Travelling and Conveyance		25,461,557		21,586,186
Directors' Fees		70,000		126,000
Security Services		515,949		424,096
Vehicle Running and Maintenance		2,804,536		5,740,535
Bad Debts and advances written off		11,710		5,071,427
Provision for Doubtful Debts (Net)		16,305,424		—
Miscellaneous Expenses		8,271,125		6,797,907
		148,170,222		152,797,809
<b>SCHEDULE "O" : INTEREST AND OTHER FINANCE EXPENSES</b>				
Interest				
Bank Overdrafts	1,748,059		2,603,709	
Others	167,078	1,915,137	255,355	2,859,064
Other Finance Expenses		2,671,178		3,312,615
		4,586,315		6,171,679
Less: Interest Income				
Bank Deposits				
On Deposits with Banks (Gross) [Tax Deducted at Source Rs. 144,900 (Previous Year Rs. 627,248)]	975,589		2,458,485	
Others	22,815		17,695	
		998,404		2,476,180
		3,587,911		3,695,499

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE "P" : NOTES TO THE FINANCIAL STATEMENTS

#### 1. Significant Accounting Policies

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of 'The Companies Act, 1956' of India (the 'Act'). The significant accounting policies are as follows -

##### (a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

##### (b) Fixed Assets and Depreciation

- (i) The gross block of fixed assets is stated at the purchase price of acquisition of such fixed assets including any attributable cost for bringing the asset to its working condition for its intended use.
- (ii) Depreciation on fixed assets is provided at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates determined based on the useful lives of the assets as estimated by the management, whichever are higher. Depreciation is provided on Straight Line Method. The rates adopted for depreciation determined on the basis of useful lives of fixed assets are as follows:

<u>Description of Asset</u>	<u>Rate of Depreciation</u>
Software	25%
Computers	25%
Office Equipment – VSAT and Communication Router	10%
Vehicles	15%

Fixed assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

- (iii) Leasehold improvements are amortised over the period of the lease.

##### (c) Foreign Currency Transactions

All the monetary items denominated in foreign currency are valued at the Foreign Exchange Dealers Association of India rate (FEDAI) and the exchange variations arising out of settlement/conversion at the FEDAI rate are recognised in the Profit and Loss Account.

##### (d) Investments

Long-term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of Long-term Investments. Current Investments are stated at lower of cost or fair value.

##### (e) Retirement Benefits

Contributions to Defined Contribution schemes such as provident fund, etc. are charged to the profit and loss account as incurred. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the company. The remaining contributions are made to a government administered Provident Fund towards which the company has no further obligations beyond its monthly contributions.

Contributions to gratuity scheme are based on the premium contributions called for by Tata AIG Life Insurance Company Limited and the Life Insurance Corporation of India (LIC) with whom the company has entered into an arrangement for its operations. Any shortfall/excess based on independent actuarial valuation is accounted for in the relevant period.

The Company provides for leave encashment benefits on the basis of valuations, as at the balance sheet date, made by an independent actuary.

## Schedules forming part of the Financial Statements for the period ended 31st December, 2008

111

### SCHEDULE "P" (Contd.)

**(f) Turnover**

Turnover comprises of net commissions earned on travel management, service agency charges including profit or loss in respect of tours.

**(g) Revenue Recognition**

Commission on tickets and service charges from customers are recognised on issue of the tickets. Incentive from airlines are accounted on the basis of tickets issued to sectors travelled.

Revenue on 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.

Revenue from other income is accounted on accrual basis.

**(h) Leases**

Assets acquired under finance lease arrangements are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals are allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Lease rentals in respect of operating lease arrangements are charged to the Profit and Loss Account.

**(i) Taxes on Income**

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year.

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

### 2. NOTES TO THE ACCOUNTS

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 10,888,500 (*Previous year Rs. NIL*).

	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
(b) Contingent Liabilities		
(i) Claims against the Company not acknowledged as debts :		
-Disputed claims made by clients/employees	540,000	175,359
(ii) Disputed Income tax Demands	146,174,773	146,174,773
(iii) Disputed Service tax Demands	19,009,865	—

**NOTE:**

Future cash outflows in respect of (b) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

- (c) The tax year for the Company being the year ending 31st March, the provision for taxation for the period is the aggregate of the provision made for the three months ended 31st March, 2008 and the provision based on the figures for the remaining nine months up to 31st December, 2008, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2008 to 31st March, 2009.

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE "P" (Contd.)

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
(d) Managerial Remuneration under Section 198 of the Act to Whole-time Directors (excluding gratuity contributed for the company as a whole)				
Salaries		—		—
House Rent Allowance/Perquisite		—		—
Commission/Bonus		—		—
Contribution to Provident and Other Funds		—		—
Perquisites in cash and in kind		—		—
		<u>—</u>		<u>—</u>
Commission to Non-Executive Directors		33,292		479,250
		<u>33,292</u>		<u>479,250</u>
Directors' Fees		70,000		126,000
Computation of net profits in accordance with Section 198 read with Section 309(5) of the Act				
Profit before Taxation as per Profit and Loss Account		16,617,507		202,510,300
Add: Remuneration to Directors	33,292		479,250	
Directors' Fees	70,000		126,000	
Depreciation as per Profit and Loss Account	18,494,036		7,193,374	
Profit on Sale of Fixed Assets as per Section 350 of the Act	6,260,490		4,448,652	
		<u>24,857,818</u>		<u>12,247,276</u>
		41,475,325		214,757,576
Less: Depreciation as per Section 350 of the Act	13,566,182		5,043,340	
Loss on Sale/write off of Fixed Assets as per Section 350 of the Act	10,135,044		2,785,629	
Profit on Sale of Fixed Assets (Net) as per Profit and Loss Account	6,704,081		8,620,749	
		<u>30,405,307</u>		<u>16,449,718</u>
Net Profit		<u>11,070,018</u>		<u>198,307,858</u>
Commission to Non-Executive Directors @ 1%		110,700		1,983,079
Commission to Executive Directors @ 10%		1,107,002		19,830,786
Commission payable to Directors, restricted by the Board of Directors to		33,292		479,250

(e) Segment Information

The Company has only one reportable segment which is 'travel and related services'. Accordingly, the figures appearing in these accounts relates to 'travel and related services' segment.

(f) Micro, Small and Medium Scale Business Entities

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at 31st December, 2008. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

## Schedules forming part of the Financial Statements for the period ended 31st December, 2008

113

### SCHEDULE "P" (Contd.)

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
(g) Expenditure in Foreign Currency :		
Legal & Professional Fees	864,418	796,483
Salary, Travel and Others	68,446,131	56,086,285
(Includes expenses incurred by foreign offices)		
(h) Earnings in Foreign Currency :		
Receipts from Independent Tours and Travel	1,185,297,111	1,326,782,730
Commission and others	14,618,710	28,344,352
(i) Related Party Disclosures		
(A) Enterprises where control exists		
(i) Holding Company	Thomas Cook (India) Limited, India holds 100% of equity shares of the Company. TCIM Limited, UK holds 54.42% of Equity Shares of Thomas Cook (India) Limited. Thomas Cook UK Limited, the holding Company of TCIM Limited, UK is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.	
(B) Other Related Parties with whom the Company had transactions during the period		
(i) Fellow Subsidiary	Thomas Cook Insurance Services (India) Limited Indian Horizon Travel and Tours Limited Thomas Cook Tours Limited Thomas Cook (Mauritius) Holding Company Limited Thomas Cook (Mauritius) Operations Company Limited Thomas Cook (Mauritius) Holidays Limited Thomas Cook (Mauritius) Travel Limited Thomas Cook Northern Europe (from 28th March, 2008)	
(ii) Key Management Personnel	Mr. Madhavan Menon Mr. Vinayak K. Purohit (from 19th March, 2008) Ms. Nalini Gupta	

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE "P" (Contd.)

(C) Disclosure of transactions between the Company and related parties and outstanding balances as at the year end:

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
(i) Holding Company		
Reimbursement of Expenses Thomas Cook (India) Limited	7,891,900	7,896,127
Balances as at the year end - Outstanding Receivables Thomas Cook (India) Limited	1,739,161	2,160,191
(ii) Fellow Subsidiary		
Purchase of Services*		
Thomas Cook (Mauritius) Holidays Limited	2,239,324	4,873,063
Sale of Services**		
Thomas Cook Northern Europe	47,365,639	—
Balances as at the year end - Outstanding payables Thomas Cook (Mauritius) Holidays Limited	1,168,283	1,515,385
Outstanding Receivables Thomas Cook Northern Europe	28,568,774	—
*Purchase value of transactions		
** Sale value of transactions		
(j) Disclosures for Leases		
Operating Leases		
Disclosures in respect of cancelable agreements for office and residential premises taken on lease		
(i) Lease payments recognised in the Profit and Loss Account	9,808,930	12,909,611
(ii) Significant leasing arrangements		
- The Company has given refundable interest free security deposits under certain agreements		
- The lease agreements are for a period of eleven months to five years		
- The lease agreements are cancelable at the option of either party by giving one month to six months' notice		
- Certain agreements provide for increase in rent		
- Some of the agreements contain a provision for their renewal		
(iii) Future minimum lease payments under non-cancelable agreements		
- Not later than one year	—	—
- Later than one year and not later than five years	—	—
- Later than five years	—	—
(k) Earnings Per Share has been computed as under		
Profit after Taxation	7,863,822	137,910,297
Weighted average number of shares	1,576,698	1,576,698
Basic and Diluted Earnings per Share (Rs. per Equity Share of Rs. 10 each)	4.99	87.47



## Schedules forming part of the Financial Statements for the period ended 31st December, 2008

115

### SCHEDULE "P" (Contd.)

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
(I) Employee Benefits		
The disclosures as required under the revised AS 15 in respect of gratuity, a defined benefit scheme (based on Actuarial Valuation) is as follows -		
(i) Net Asset/(Liability) recognised in Balance Sheet as at 31st December, 2008		
(a) Present Value of Funded Obligation	26,875,385	38,658,848
(b) Fair Value of Plan Assets at year end	(8,253,178)	(24,490,592)
Present Value of Unfunded Obligations	—	—
Unrecognised Past Service Cost	—	—
Amount not Recognised as an Asset	—	—
(c) (Asset)/Liability recognised in the Balance Sheet	18,622,207	14,168,256
(ii) Components of Employer Expense		
(a) Current Service Cost	3,201,559	3,221,538
(b) Interest Cost	3,097,775	2,869,201
(c) Expected return on Plan Assets	(1,919,440)	(1,371,814)
(d) Net Actuarial Losses/(Gains) Recognised in the year	8,033,964	3,661,114
(e) Past Service Cost	—	—
(f) Losses/(Gains) on Curtailments & Settlements	721,217	—
(g) Losses/(Gains) on Acquisition & Divestiture	—	—
(h) Total Expense recognised in the Profit and Loss Account	13,135,075	8,380,039
(i) Actual Return on Plan Assets	(2,126,963)	4,072,211
(iii) Changes in Defined Benefit Obligation (DBO) during the year		
(a) Defined Benefit Obligation at beginning of year	38,658,848	38,800,275
(b) Current Service Cost	3,201,559	3,221,538
(c) Interest Cost	3,097,775	2,869,201
(d) Actuarial Losses/(Gain)	3,987,561	6,361,511
(e) Past Service Cost	—	—
(f) Actuarial Losses/(Gain) due to Curtailment	721,217	—
(g) Liabilities Extinguished on Settlement	—	—
(h) Liabilities Extinguished on Acquisition/(Settled on Divestiture)	—	—
(i) Exchange Difference on Foreign Plans	—	—
(j) Benefits Paid	(22,791,575)	(12,593,677)
(k) Defined Benefit Obligation at year end	26,875,385	38,658,848

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE "P" (Contd.)

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
(iv) Changes in the Fair Value of Plan Assets		
(a) Fair Value of Plan Assets beginning of year	24,490,592	17,934,164
(b) Expected Return on Plan Assets	1,919,440	1,371,814
(c) Actuarial (Losses)/Gain	(4,046,403)	2,700,397
(d) Assets Distributed on Settlements	—	—
(e) Contribution by Employer	8,681,124	15,077,894
(f) Assets Acquired on Acquisition/(Distributed on Divestiture)	—	—
(g) Exchange Difference on Foreign Plans	—	—
(h) Benefits Paid	(22,791,575)	(12,593,677)
(i) Fair Value of Plan Assets at year end	8,253,178	24,490,592
(v) Percentage of each Category of Plan Assets to total fair Value of Plan Assets		
(a) Government of India Securities	—	—
(b) Corporate Bonds	—	—
(c) Bank Deposits	—	—
(d) Insurer Managed Funds	100.00%	100.00%
(e) Others	—	—
(vi) Principal Actuarial Assumptions		
(a) Discount Rate (p.a.)*	5.95%	7.90%
(b) Expected Rate of Return on Assets (p.a.)**	7.50%	7.50%
(c) Salary Escalation Rate (p.a.)***	5.50%	5.50%
* The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.		
** Expected Rate of Return on Plan Assets is based on our expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.		
*** The estimates of the future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
(m) The Management has reviewed the operations of its various Divisions and Branches, and based on this review, the Management has :		
(a) Closed the Rail/Transport Division of the Company and incurred a sum of Rs. 56,329,477 on account of personnel cost and loss on disposal of assets.		
(b) Disposed the surplus properties and booked the profit of Rs. 11,127,688.		
(n) The Company has changed the method of providing depreciation on fixed assets from Written Down Value (WDV) method to Straight Line Method (SLM) with effect from 1st January, 2007. Accordingly, depreciation has been recalculated in accordance with Straight Line Method (SLM) from the date the assets were put to use and surplus of Rs. 18,134,971 in respect of earlier years has been netted off from the depreciation charge for the year 2007. Consequent to such change in the method, the depreciation charge for the year 2007 is lower by Rs. 18,134,971 with corresponding impact on the profit for the previous year.		
(o) Previous Year figures have been regrouped where necessary.		

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE "P" (Contd.)

#### (p) Balance Sheet Abstract and Company's General Business Profile

##### I. Registration Details

Registration No.

—	—	—	1	2	0	6	7
---	---	---	---	---	---	---	---

State Code

1	1
---	---

Balance Sheet Date

3	1	1	2	2	0	0	8
---	---	---	---	---	---	---	---

Date

Month

Year

##### II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue							
—	—	N	I	L	—	—	—

Rights Issue							
—	—	N	I	L	—	—	—

Bonus Issue							
—	—	N	I	L	—	—	—

Private Placement							
—	—	N	I	L	—	—	—

##### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities							
—	—	5	4	0	3	5	8

Total Assets							
—	—	5	4	0	3	5	8

##### Sources of Funds

Paid-up Capital							
—	—	—	1	5	7	6	7

Reserves & Surplus							
—	—	5	2	4	4	6	5

Secured Loans							
—	—	—	—	—	1	2	6

Unsecured Loans							
—	—	N	I	L	—	—	—

##### Application of Funds

Net Fixed Assets							
—	—	—	8	0	7	4	0
Net Current Assets*							
—	—	4	5	9	6	1	8
Accumulated Losses							
—	—	N	I	L	—	—	—

Investments							
—	—	N	I	L	—	—	—
Miscellaneous Expenditure							
—	—	N	I	L	—	—	—

\*Net Current Assets includes Deferred Taxation (Net) of Rs. 9,999 thousands.

##### IV. Performance of Company (Amount in Rs. Thousands)

Turnover							
—	—	4	2	7	7	3	0
Profit/Loss before tax							
—	—	—	1	6	6	1	8

+      —  
☒    ☐

Total Expenditure							
—	—	4	6	3	2	8	1
Profit/Loss after tax							
—	—	—	—	7	8	6	4

+      —  
☒    ☐

(Please tick Appropriate box + for Profit, - for Loss)

Earning per Share in Rs.			
Basic (EPS)	4	.	9 9
Diluted (EPS)	4	.	9 9

Dividend rate %			
N	I	L	

##### V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E
Product Description	T	R	A	V	E	L		A	G	E	N	T	S	
Item Code No. (ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E
Product Description	T	O	U	R		O	P	E	R	A	T	O	R	S

Signatures to Schedules "A" to "P"

For and on behalf of the Board of Directors

HOSHANG S. BILLIMORIA	— CHAIRMAN
VINAYAK K. PUROHIT	— DIRECTOR
RAKSHIT DESAI	— DIRECTOR
NALINI GUPTA	— DIRECTOR

## Cash Flow Statement for the year ended 31st December, 2008

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Taxation		16,617,507		202,510,300
Adjustments for -				
Depreciation	18,494,036		7,193,374	
Interest Income	(998,404)		(2,476,180)	
Dividend Income	(3,213)		(453,165)	
Loss/Profit on Sale of Fixed Assets (Net)	(6,704,081)		(8,620,749)	
Interest Expense	1,915,137		2,859,064	
		12,703,475		(1,497,656)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		29,320,982		201,012,644
Adjustments for -				
Trade and Other Receivables	138,648,523		73,747,421	
Trade and Other Payables	72,896,759		(252,494,953)	
		211,545,282		(178,747,532)
Cash generated from operations		240,866,264		22,265,112
Direct Taxes paid (Net of refund of taxes)	(75,209,168)		(93,247,727)	
		(75,209,168)		(93,247,727)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>		165,657,096		(70,982,615)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(12,568,137)		(7,494,015)	
Sale of Fixed Assets	23,827,221		16,675,382	
Sale of Investments (Net)	1,379,221		20,546,833	
Interest Received	885,830		2,368,770	
Dividend Received	3,213		453,165	
Net cash from/(used in) investing activities		13,527,348		32,550,135
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of Borrowings/Cash Credit (net)	(18,391,812)		(31,409,343)	
Interest Paid	(1,778,300)		(2,859,064)	
Payment of Hire Purchase Loan	(1,904,301)		(2,545,393)	
<b>Net cash from/(used in) financing activities</b>		(22,074,413)		(36,813,800)
<b>Net increase/(decrease) in cash and cash equivalents</b>		157,110,031		(75,246,280)
Cash and Cash Equivalents – Opening Balance		141,987,987		217,234,267
Cash and Cash Equivalents – Closing Balance		299,098,018		141,987,987

**Notes:**

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, issued by The Institute of Chartered Accountants of India.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants  
Mumbai, 20th February, 2009

For and on behalf of the Board of Directors

HOSHANG S. BILLIMORIA – CHAIRMAN  
VINAYAK K. PUROHIT – DIRECTOR  
RAKSHIT DESAI – DIRECTOR  
NALINI GUPTA – DIRECTOR

Mumbai, 20th February, 2009

## Directors' Report

119

### TO THE MEMBERS

Your Directors have pleasure in presenting the Twentieth Annual Report and the Balance Sheet and Profit & Loss Account for the financial year ended 31st December, 2008.

### OPERATIONS:

The Company continues to show satisfactory results with consolidation of its business. The Company's sales consist of products which are usually customised keeping in mind the need of its clients. The Company's portfolio covers products which meet the needs of students, corporates and emigrants in addition to the leisure travellers. The product for domestic travellers has been launched this year.

The Company focused on increasing in-house sale and initiated a special drive where the sale and profits of the Company improved.

The Company also launched Home Calling Cards with Vodafone as a value addition for its travelling customers.

The Company continued to promote TRAVEL CARE & SCHOLAR CARE, the co-branded products.

Our Principal, TATA AIG General Insurance Company Limited, continues to underwrite all risks. We continue to explore avenues to cross sell other insurance products in addition to the Travel Insurance.

### FINANCIAL RESULTS:

	Rupees (Millions)	
	Year ended 31st December, 2008	Year ended 31st December, 2007
Profit before Taxation	5.52	18.20
Provision for Taxation	(3.41)	(6.10)
Provision for Fringe Benefit Tax	(0.22)	(0.20)
Profit after Taxation	1.89	11.90
Transferred to General Reserve	—	—

### DIVIDEND:

In order to conserve resources for the Company's future plans, the Directors do not recommend any dividend for the year under review.

### FIXED DEPOSITS:

The Company has not accepted any deposits from the public during the year under review.

### DIRECTORS:

In accordance with Article 130 of the Articles of Association, Mr. Madhavan Menon retires by rotation and being eligible offers himself for re-appointment. Mr. Rakshit Desai and Mr. Vinayak K. Purohit were appointed as Additional Directors of the Company effective from 11th February, 2009. By virtue of Section 260 of the Companies Act, 1956 they hold office upto the date of the ensuing Annual General Meeting and in respect of them, the Company has received notices in writing under Section 257 of the Companies Act, 1956 proposing their candidature for the office of Directors of the Company at the forthcoming Annual General Meeting.

Mr. R. R. Kenkare has resigned as Director of the Company effective from 11th February, 2009. Mr. Udayan Bose has resigned as Director of the Company effective from 19th February, 2009. The Board hereby place on record the sincere appreciation of valuable advice given by them during the tenure of their office as Directors of the Company.

### AUDITORS:

M/s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

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

Information u/s 217(1)(e) of the Companies Act, 1956 is Nil in view of the nature of business of the Company.

### INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956:

There are no employees drawing remuneration beyond monetary ceilings prescribed under Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder.

### DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently except where otherwise stated in the notes to the accounts and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. The internal auditors have conducted periodic audits to provide reasonable assurances that established policies and procedures of the Company have been followed. However, it must be recognised that there are inherent limitations in weighing the assurances provided by any system on internal controls;
- the Directors have prepared the annual accounts on a going concern basis.

FOR AND ON BEHALF OF THE BOARD  
MADHAVAN MENON — DIRECTOR  
VINAYAK K. PUROHIT — DIRECTOR

Mumbai

Date: 27th February, 2009

## Auditors' Report

120

### To the members of Thomas Cook Insurance Services (India) Limited

1. We have audited the attached Balance Sheet of Thomas Cook Insurance Services (India) Limited, as at 31st December, 2008, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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 a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have 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 appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on 31st December, 2008 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2008 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st December, 2008;
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

SHARMILA A. KARVE  
Partner  
Membership No. 43229  
For and on behalf of  
Lovelock & Lewes  
Chartered Accountants  
Mumbai, 27th February, 2009

## Annexure to the Auditors' Report

121

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Thomas Cook Insurance Services (India) Limited on the financial statements for the year ended 31st December, 2008]

1. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clauses (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable to the Company for the current year.
2. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the sale of services. There are no purchases of inventory and fixed assets and sale of goods. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
3. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act during the year that need to be entered in the register maintained under that section. Accordingly, Clause (v)(b) of paragraph 4 of the Order is not applicable to the Company for the current year.
4. The company has not accepted any deposits from the public within the meaning of Sections 58A & 58AA of the Act and the rules framed there under.
5. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
6. (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 regular in depositing undisputed statutory dues including income-tax, cess, service tax and other material statutory dues as applicable with the appropriate authorities in India.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax and cess which have not been deposited on account of any dispute.
7. The Company has no accumulated losses as at 31st December, 2008 and has not incurred any cash losses in

the financial year ended on that date or in the immediately preceding financial year.

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
9. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
10. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
11. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
12. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
13. The Company has not obtained any term loans.
14. On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.
15. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
16. The Company has not issued any debentures.
17. The Company has not raised any money by public issues during the year.
18. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
19. According to the information and explanations given to us and taking into consideration the nature of business of the Company, the matters specified in Clauses (i), (ii) and (viii) of paragraph 4 of the Order are not applicable to the Company.

SHARMILA A. KARVE  
Partner  
Membership No. 43229  
For and on behalf of  
Lovelock & Lewes  
Chartered Accountants  
Mumbai, 27th February, 2009

## Balance Sheet as at 31st December, 2008

122

	Schedule	As at 31st December, 2008		As at 31st December, 2007	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
SHAREHOLDERS' FUNDS					
Capital	A		500,000		500,000
Reserves and Surplus	B		21,150,257		19,261,635
			<u>21,650,257</u>		<u>19,761,635</u>
<b>APPLICATION OF FUNDS</b>					
Investments	C		—		2,127,393
Deferred Tax Asset	D		9,528,398		8,081,560
Current Assets, Loans and Advances					
Sundry Debtors	E	3,685,952		13,738,528	
Cash and Bank Balances	F	2,751,594		10,485,068	
Loans and Advances	G	10,455,360		7,457,958	
		<u>16,892,906</u>		<u>31,681,554</u>	
Less: Current Liabilities and Provisions					
Liabilities	H	4,533,368		22,029,772	
Provisions	I	237,679		99,100	
		<u>4,771,047</u>		<u>22,128,872</u>	
Net Current Assets			12,121,859		9,552,682
			<u>21,650,257</u>		<u>19,761,635</u>
Notes to the Financial Statements					
Schedules "A" to "I" and "N" referred to above form an integral part of the Balance Sheet.					

In terms of our report of even date

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 27th February, 2009

For and on behalf of the Board of Directors

MADHAVAN MENON — DIRECTOR  
VINAYAK K. PUROHIT — DIRECTOR  
RAKSHIT DESAI — DIRECTOR

Mumbai, 27th February, 2009



## Profit and Loss Account for the year ended 31st December, 2008

	Schedule	Year ended 31st December, 2008		Year ended 31st December, 2007	
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Turnover	J	12,764,496		17,158,287	
Other Income	K	23,784,317		33,059,180	
			36,548,813		50,217,467
<b>EXPENDITURE</b>					
Personnel Cost	L	9,934,383		8,894,877	
Advertisement and Business Promotion		11,698,204		16,402,923	
Other Expenses	M	9,392,035		6,677,987	
			31,024,622		31,975,787
Profit before Taxation			5,524,191		18,241,680
Provision for Taxation					
Current Tax		5,000,000		6,225,000	
Deferred Tax		(1,446,838)		(33,684)	
(Excess)/ Short Provision of Income Tax for earlier years		(138,203)		(72,289)	
Fringe Benefit Tax		220,610		229,689	
			3,635,569		6,348,716
<b>PROFIT AFTER TAXATION</b>			1,888,622		11,892,964
Balance brought forward from previous year			18,791,405		6,898,441
Balance Carried to Balance Sheet			20,680,027		18,791,405
Earnings per Share – Basic and Diluted [Rs. per Equity Share of Rs. 10 each] [Refer Note 2(e) of Schedule “N” ]			37.77		237.86
Notes to the Financial Statements	N				
Schedules “J” to “N” referred to above form an integral part of the Profit and Loss Account.					

In terms of our report of even date

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 27th February, 2009

For and on behalf of the Board of Directors

MADHAVAN MENON – DIRECTOR  
VINAYAK K. PUROHIT – DIRECTOR  
RAKSHIT DESAI – DIRECTOR

Mumbai, 27th February, 2009

## Schedules forming part of the Balance Sheet as at 31st December, 2008

	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
<b>SCHEDULE "A" : CAPITAL</b>		
Authorised		
500,000 Equity Shares of Rs.10 each	5,000,000	5,000,000
Issued and Subscribed		
50,000 Equity Shares of Rs. 10 each fully paid-up, all held by the holding company, Thomas Cook (India) Limited and its nominees	500,000	500,000
<b>SCHEDULE "B" : RESERVES AND SURPLUS</b>		
General Reserve	470,230	470,230
Profit and Loss Account	20,680,027	18,791,405
	21,150,257	19,261,635
<b>SCHEDULE "C" : INVESTMENTS</b>		
(Unquoted, Current, Non-trade)		
In fully paid-up Units of Mutual Funds		
Nil (Previous year - 201,041) Units of Rs. 10 each of Standard Chartered Mutual Fund - Grindlays Cash Fund - Daily Dividend	—	2,127,393
	—	2,127,393
Investments purchased and sold during the year	Units	Units
- Units of Rs. 10 each of Standard Chartered Mutual Fund - Grindlays Cash Fund - Daily Dividend	3,811	—
<b>SCHEDULE "D" : DEFERRED TAX ASSETS</b>		
On Provision allowable for tax purposes when paid	362,046	33,684
On Provision for Doubtful Debts	9,166,352	8,047,876
	9,528,398	8,081,560

## Schedules forming part of the Balance Sheet as at 31st December, 2008

	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
<b>SCHEDULE "E" : SUNDRY DEBTORS</b>		
(Unsecured)		
Debts outstanding for a period exceeding six months		
Considered Good	—	1,382,125
Considered Doubtful	26,967,790	23,677,187
	<u>26,967,790</u>	<u>25,059,312</u>
Other Debts		
Considered Good	3,685,952	12,356,403
	<u>30,653,742</u>	<u>37,415,715</u>
Less: Provision for Doubtful Debts	<u>26,967,790</u>	<u>23,677,187</u>
	<u><u>3,685,952</u></u>	<u><u>13,738,528</u></u>
<b>SCHEDULE "F" : CASH AND BANK BALANCES</b>		
Cash and Cheques on Hand	—	13,985
Balances with Scheduled Banks on Current Accounts	<u>2,751,594</u>	<u>10,471,083</u>
	<u><u>2,751,594</u></u>	<u><u>10,485,068</u></u>
<b>SCHEDULE "G" : LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
Advances to Holding Companies	338,648	—
Advances recoverable in cash or in kind or for value to be received	718,907	2,876,199
Tax Payments less Provisions	<u>9,397,805</u>	<u>4,581,759</u>
	<u><u>10,455,360</u></u>	<u><u>7,457,958</u></u>
<b>SCHEDULE "H" : LIABILITIES</b>		
Sundry Creditors other than Micro and Small Scale Business Entities [Refer Note 2(g) of Schedule "N"]	4,229,403	21,949,369
Other Liabilities	<u>303,965</u>	<u>80,403</u>
	<u><u>4,533,368</u></u>	<u><u>22,029,772</u></u>
<b>SCHEDULE "I" : PROVISIONS</b>		
Provision for Leave Encashment	76,764	—
Provision for Gratuity	<u>160,915</u>	<u>99,100</u>
	<u><u>237,679</u></u>	<u><u>99,100</u></u>

## Schedules forming part of the Profit and Loss Account for the year ended 31st December, 2008

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "J" : TURNOVER</b>				
Insurance Commission		12,659,695		17,068,068
Card Product Income		104,801		90,219
		<u>12,764,496</u>		<u>17,158,287</u>
<b>SCHEDULE "K" : OTHER INCOME</b>				
Recovery of Expenses		21,108,076		28,380,705
Referral Income		2,476,313		4,297,514
Interest on Income Tax Refund		—		154,627
Dividend on Current Investments - Non Trade - On Units of Mutual Funds		40,327		100,233
Miscellaneous Income		159,601		126,101
		<u>23,784,317</u>		<u>33,059,180</u>
<b>SCHEDULE "L" : PERSONNEL COST</b>				
Salaries, Wages and Bonus		7,605,354		6,126,995
Staff Welfare Expenses		1,855,937		2,242,753
Contribution to Provident and Other Funds		473,092		525,129
		<u>9,934,383</u>		<u>8,894,877</u>
<b>SCHEDULE "M" : OTHER EXPENSES</b>				
Rent		564,404		1,081,603
Rates and Taxes		—		27,910
Repairs and Maintenance		314,132		539,048
Printing and Stationery		145,570		165,585
Postage, Telegrams, Telex and Telephones		545,033		867,869
Legal and Professional Charges		2,062,284		2,046,105
Auditors' Remuneration				
Audit Fees	28,090		22,472	
Reports under the provisions of the Income-tax Act, 1961	28,090		22,472	
Reimbursement of Expenses	3,000		800	
		<u>59,180</u>		<u>45,744</u>
Bank Charges		5,341		13,578
Travelling and Conveyance		2,230,908		1,738,394
Provision for Doubtful Debts		3,290,603		—
Security Services		131,707		101,767
Miscellaneous Expenses		42,873		50,384
		<u>9,392,035</u>		<u>6,677,987</u>

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE "N" : NOTES TO THE FINANCIAL STATEMENTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of 'The Companies Act, 1956' of India. The significant accounting policies are as follows -

(a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

(b) Turnover

Turnover comprises of insurance commission in the normal course of business as the corporate insurance agent of Tata AIG General Insurance Company Limited and sale of card products.

(c) Revenue Recognition

Commission on insurance policies sold is recognised on the effective commencement of the policies. Card products sales are recognised on delivery of the cards to the customers.

(d) Investments

Current Investments are stated at lower of cost and fair value.

(e) Taxes on Income

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year.

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

(f) Retirement Benefits

The Company has Defined Contribution Plan for post employment benefits in the form of Provident Fund which is administered through Government of India. Provident Fund is classified as Defined Contribution Plan as the Company has no further obligation beyond making the contributions. The Company's contribution to Defined Contribution Plan is charged to the Profit and Loss Account as incurred.

The Company has Defined Benefit Plans for post employment benefits in the form of Gratuity. Liability for Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.

The employees of the Company are entitled to Leave Encashment as per the policy of the Company. As per the leave policy of the Company, liability for leave balance is treated as short-term in nature. Provision towards short-term accrued leave is made based on accumulated unutilised leave balances of employees on the payroll of the Company at the year-end.

#### 2. NOTES TO THE ACCOUNTS

- (a) The tax year for the Company being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31st March, 2008 and the provision based on the figures for the remaining nine months up to 31st December, 2008, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2008 to 31st March, 2009.

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

### SCHEDULE "N" (Contd.)

(b) Contingent Liabilities	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
Claims against the Company not acknowldged as debts Disputed Income Tax Demand	4,531,029	—
(c) The Company has only one reportable segment which is 'travel insurance and related services'. Accordingly, the figures appearing in these accounts relate to 'travel insurance and related services' segment.		
(d) Related Party Disclosures		
(A) Enterprise where control exists		
Holding Company Thomas Cook (India) Limited, India holds 100% of equity shares of the Company. TCIM Limited, UK holds 54.42% of Equity Shares of Thomas Cook (India) Limited. Thomas Cook UK Limited, the holding Company of TCIM Limited, UK is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.		
(B) Disclosure of transactions between the Company and related parties and outstanding balances as at the year end:		
	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
Reimbursement of Expenses Thomas Cook (India) Limited	9,410,122	10,160,321
Sale of services Thomas Cook (India) Limited	134,675	420,000
Balances as at the year end - Outstanding Receivable/(Payable) Thomas Cook (India) Limited	338,648	(19,173,154)
(e) Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. Earnings per Share has been computed as under:		
	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
Profit after Taxation	1,888,622	11,892,964
Weighted average number of shares	50,000	50,000
Earnings per Share (Rs. per Equity Share of Rs. 10 each) - Basic and Diluted	37.77	237.86

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

129

### SCHEDULE "N" (Contd.)

(f) Employee Benefits			
The disclosures as required under the revised AS 15 are as follows -			
(i) The Following table sets forth the status of gratuity benefit plan, during the year ended 31st December, 2008:-			
		Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
	Present Value of Funded Obligations	—	—
	Fair Value of Plan Assets	—	—
	Present Value of Unfunded Obligations	160,915	99,100
	Unrecognised Past Service Cost	—	—
	Amount not Recognised as an Asset	—	—
	Net Liability	160,915	99,100
	Amounts in Balance Sheet		
	Liability	160,915	99,100
	Assets	—	—
	Net Liability	160,915	99,100
(ii) The amount recognised in the statement of profit and loss are as follows:-			
	Current Service Cost	52,422	—
	Interest on Defined Benefit Obligation	11,880	—
	Expected return on Plan Assets	—	—
	Net Actuarial Losses/(Gains) Recognised in the year	(2,487)	—
	Past Service Cost	—	—
	Losses/(Gains) on "Curtailements & Settlements"	—	—
	Losses/(Gains) on "Acquisition & Divestiture"	—	—
	Total included in "Employee Benefits Expense"	61,815	—
	Actual Return on Plan Assets	—	—
(iii) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:-			
	Change in Defined Benefit Obligation		
	Opening Defined Benefit Obligation	99,100	99,100
	Current Service Cost	52,422	—
	Interest Cost	11,880	—
	Actuarial Losses/(Gain)	(2,487)	—
	Past Service Cost	—	—
	Actuarial Losses/(Gain) due to Curtailment	—	—
	Liabilities Extinguished on Settlement	—	—
	Liabilities Extinguished on Acquisition/(Settled on Divestiture)	—	—
	Exchange Difference on Foreign Plans	—	—
	Benefits Paid	—	—
	Closing Defined Benefit Obligation	160,915	99,100
	Change in Fair Value of Assets		
	Opening Fair Value of Plan Assets	—	—
	Expected Return on Plan Assets	—	—
	Actuarial Losses/(Gain)	—	—
	Assets Distributed on Settlements	—	—
	Contribution by Employer	—	—
	Assets Acquired on Acquisition/(Distributed on Divestiture)	—	—
	Exchange Difference on Foreign Plans	—	—
	Benefits Paid	—	—
	Closing Fair Value of Plan Assets	—	—
(iv) The major categories of plan assets as a percentage of fair value of total plan assets:			
	Insurer Managed Funds	—	—
(v) Principal Actuarial Assumptions at the balance sheet date:			
	Discount Rate (p.a.)*	5.95%	7.85%
	Expected Rate of Return on Assets (p.a.)**	0.00%	0.00%
	Salary Escalation Rate (p.a.)***	5.50%	5.50%
	* The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.		
	** Expected Rate of Return on Plan Assets is based on our expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations		
	*** The estimates of the future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
(g) Micro and Small Scale Business Entities			
There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at 31st December, 2008. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.			
(h) Previous year figures have been regrouped where necessary.			

## Schedules forming part of the Financial Statements for the year ended 31st December, 2008

130

### (I) Balance Sheet Abstract and Company's General Business Profile

I. Registration Details  
Registration No. 

1	1	-	5	4	7	6	0
---	---	---	---	---	---	---	---

 State Code 

1	1
---	---

  
Balance Sheet Date 

3	1	1	2	2	0	0	8
---	---	---	---	---	---	---	---

  
Date Month Year

#### II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue								Rights Issue							
-	-	N	I	L	-	-	-	-	-	N	I	L	-	-	-

Bonus Issue								Private Placement							
-	-	N	I	L	-	-	-	-	-	N	I	L	-	-	-

#### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities								Total Assets							
-	-	-	2	1	6	5	0	-	-	-	2	1	6	5	0

Sources of Funds

Paid-up Capital								Reserves & Surplus							
-	-	-	-	-	5	0	0	-	-	-	2	1	1	5	0

Secured Loans								Unsecured Loans							
-	-	N	I	L	-	-	-	-	-	N	I	L	-	-	-

Application of Funds

Net Fixed Assets								Investments							
-	-	N	I	L	-	-	-	-	-	N	I	L	-	-	-

Net Current Assets*								Miscellaneous Expenditure							
-	-	-	2	1	6	5	0	-	-	N	I	L	-	-	-

Accumulated Losses							
-	-	N	I	L	-	-	-

\*Net Current Assets includes Deferred Taxation (Net) of Rs. 9,528 thousands.

#### IV. Performance of Company (Amount in Rs. Thousands)

Turnover								Total Expenditure							
-	-	-	3	6	5	4	9	-	-	-	3	1	0	2	5

+ - Profit/Loss before tax

✓	-	-	-	-	5	2	4	+	-	Profit/Loss after tax	✓	-	-	1	8	8	9
---	---	---	---	---	---	---	---	---	---	-----------------------	---	---	---	---	---	---	---

(Please tick Appropriate box + for Profit, - for Loss)

+ - Earning per Share in Rs.

✓	-	3	7	.	7	7	+ - Dividend rate %	-	-	-
---	---	---	---	---	---	---	---------------------	---	---	---

#### V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E					
Product Description	C	O	R	P	O	R	A	T	E		I	N	S	U	R	A	N	C	E
	A	G	E	N	T														
Item Code No. (ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E					
Product Description	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Item Code No. (ITC Code)	N	O	T		A	P	P	L	I	C	A	B	L	E					
Product Description	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Signatures to Schedules "A" to "N"

For and on behalf of the Board

MADHAVAN MENON - DIRECTOR  
VINAYAK K. PUROHIT - DIRECTOR  
RAKSHIT DESAI - DIRECTOR



## Cash Flow Statement for the year ended 31st December, 2008

	Year Ended 31st December, 2008		Year Ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>				
Net Profit before Taxation		5,524,191		18,241,680
Adjustments for –				
Interest Income	–		(154,627)	
Dividend Income	(40,327)		(100,233)	
		(40,327)		(254,860)
Operating profit before working capital changes		5,483,864		17,986,820
Adjustments for –				
Trade and Other Receivables	11,871,220		2,498,435	
Trade and Other Payables	(17,357,825)		(1,705,998)	
		(5,486,605)		792,437
Cash generated from (used in) operations		(2,741)		18,779,258
Direct Taxes paid		(9,898,453)		(10,774,469)
Net cash from (used in) operating activities		(9,901,194)		8,004,789
<b>B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>				
Sale/(Purchase) of Investments (Net)	2,127,393		(100,233)	
Dividend Received	40,327		100,233	
Interest Received	–		154,627	
Net cash from investing activities		2,167,720		154,627
<b>C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES</b>				
Net cash from/used in financing activities		–		–
Net increase/(decrease) in cash and cash equivalents		(7,733,474)		8,159,415
Cash and Cash Equivalents – Opening Balance		10,485,068		2,325,653
Cash and Cash Equivalents - Closing Balance		2,751,594		10,485,068

**Notes:**

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, issued by the Institute of Chartered Accountants of India.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 27th February, 2009

For and on behalf of the Board of Directors

MADHAVAN MENON – DIRECTOR  
VINAYAK K. PUROHIT – DIRECTOR  
RAKSHIT DESAI – DIRECTOR

Mumbai, 27th February, 2009

## Directors' Report

### TO THE MEMBERS:

Your Directors have pleasure in presenting the Twentieth Annual Report and the Balance Sheet as at 31st December, 2008 and Profit and Loss Account for the financial year ended 31st December, 2008.

### OPERATIONS:

There were no business activities carried on throughout the financial year ended 31st December, 2008.

### FINANCIAL RESULTS:

During the year under review, the Company did not carry on any business activities and accordingly no income was generated.

### DIVIDEND:

In view of no business activities, your Directors do not recommend any dividend for the year under review.

### FIXED DEPOSITS:

The Company has not accepted any deposit from the public during the year under review.

### DIRECTORS:

In accordance with Article 130 of the Articles of Association, Mr. Madhavan Menon retires by rotation and being eligible offers himself for re-appointment. Mr. Rakshit Desai and Mr. Vinayak K. Purohit were appointed as Additional Directors of the Company effective from 11th February, 2009. By virtue of Section 260 of the Companies Act, 1956 they hold office upto the date of the ensuing Annual General Meeting and in respect of them, the Company has received notices in writing under Section 257 of the Companies Act, 1956 proposing their candidature for the office of Directors of the Company at the forthcoming Annual General Meeting.

Mr. R. R. Kenkare has resigned as Director of the Company effective from 11th February, 2009. Mr. Udayan Bose has resigned as Director of the Company effective from 19th February, 2009. The Board hereby place on record the sincere appreciation of valuable advice given by them during the tenure of their office as Directors of the Company.

### AUDITORS:

M/s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

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

During the year under review, there was no business carried on by the Company and accordingly information u/s 217(1) (e) of the Companies Act, 1956 is Nil.

### INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956:

No employees were employed throughout the year under review. Therefore, the particulars required under Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder are not furnished herewith.

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards were followed alongwith proper explanation relating to material departures;
2. The accounting policies were selected and applied consistently and judgements and estimates were made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year under review;
3. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities were taken;
4. The annual accounts were prepared on a going concern basis.

For and on behalf of the Board  
MADHAVAN MENON — DIRECTOR  
VINAYAK K. PUROHIT — DIRECTOR

Mumbai, 26th February, 2009

## Auditors' Report

To the members of Thomas Cook Tours Limited

1. We have audited the attached Balance Sheet of Thomas Cook Tours Limited, as at 31st December, 2008, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the 'Act') 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 a statement on the matters specified in paragraphs 4 and 5 of the Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have 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 appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on 31st December, 2008 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2008 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2008;
    - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 26th February, 2009

## Annexure To The Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Thomas Cook Tours Limited on the financial statements for the year ended 31st December, 2008]

1. (a) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable to the Company for the current year.
2. There are no transactions of purchase of inventory, fixed assets and sale of goods during the year. Therefore provisions of Clause 4(iv) of the Order are not applicable to the Company.
3. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act during the year that need to be entered in the register maintained under that section. Accordingly, Clause (v) (b) of paragraph 4 of the Order is not applicable to the Company for the current year.
4. The Company has not accepted any deposits from the public within the meaning of sections 58A & 58AA of the Act and the rules framed there under.
5. As the paid-up capital and reserves of the Company does not exceed Rs. 50 lakhs and nor does its average annual turnover exceed Rs. 5 crores for the three consecutive financial years immediately preceding the current financial year, Clause (vii) of paragraph 4 of the Order pertaining to Internal Audit is not applicable to the Company for the current year.
6. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues as applicable with the appropriate authorities in India.
7. The Company has accumulated losses of Rs. 60,955 as at 31st December, 2008 and has incurred cash losses in the financial year ended on that date.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
9. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
10. The provisions of special statue applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
11. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
12. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
13. The Company has not obtained any term loans.
14. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanation given to us, there are no funds raised on short-term basis which have been used for the long-term investment.
15. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act during the year.

16. The Company has not issued any debentures.
17. The Company has not raised any money by public issues during the year.
18. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
19. According to the information and explanations given to us and taking into consideration the nature of business of the Company, the matters specified in Clauses (i), (ii) and (viii) of paragraph 4 of the Order are not applicable to the Company.

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants

Mumbai, 26th February, 2009

### Balance Sheet as at 31st December, 2008

	Schedule	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Capital	A	500,000	500,000
<b>APPLICATION OF FUNDS</b>			
Current Assets, Loans and Advances			
Cash and Bank Balances	B	435,045	499,940
Less: Current Liabilities and Provisions			
Liabilities	C	—	60,895
Net Current Assets		435,045	439,045
Profit and Loss Account		64,955	—
Miscellaneous Expenditure		—	60,955
(To the extent not written off/adjusted)			
<b>TOTAL</b>		<b>500,000</b>	<b>500,000</b>
Notes to the Financial Statements	D		
Schedules "A" to "D" referred to above			
form an integral part of the Balance Sheet.			

In terms of our report of even date For and on behalf of the Board

SHARMILA A. KARVE MADHAVAN MENON — DIRECTOR  
Partner  
Membership No. 43229

For and on behalf of VINAYAK K. PUROHIT — DIRECTOR  
LOVELOCK & LEWES  
Chartered Accountants  
Mumbai, 26th February, 2009

RAKSHIT DESAI — DIRECTOR

Mumbai, 26th February, 2009

### Profit and Loss Account as at 31st December, 2008

	Year Ended 31st December, 2008 Rupees	Year Ended 31st December, 2007 Rupees
<b>INCOME</b>	—	—
<b>EXPENDITURE</b>		
Pre-operative Expenses written off	60,955	—
Legal and Professional Charges	4,000	—
Profit before Taxation	(64,955)	—
Provision for Taxation		
Current Tax	—	—
Deferred Tax	—	—
Net Loss	(64,955)	—
Balance brought forward from previous year	—	—
Balance carried to Balance Sheet	(64,955)	—
Earnings per Share - Basic & Diluted	(1.30)	—
[Rs. per Equity Share of Re. 10 each]		
Refer Note 3(d) of Schedule "D"		

In terms of our report of even date For and on behalf of the Board

SHARMILA A. KARVE MADHAVAN MENON — DIRECTOR  
Partner  
Membership No. 43229

For and on behalf of VINAYAK K. PUROHIT — DIRECTOR  
LOVELOCK & LEWES  
Chartered Accountants  
Mumbai, 26th February, 2009

RAKSHIT DESAI — DIRECTOR

Mumbai, 26th February, 2009

### Schedule forming part of the Balance Sheet as at 31st December, 2008

<b>SCHEDULE "A" : CAPITAL</b>	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
Authorised		
500,000 equity shares of Rs. 10/- each	5,000,000	5,000,000
	<b>5,000,000</b>	<b>5,000,000</b>
Issued and Subscribed		
50,000 equity shares of Rs. 10/- each fully paid	500,000	500,000
Of the above 50,000 equity shares are held by the holding company, Thomas Cook (India) Limited and its nominees	500,000	500,000
	<b>500,000</b>	<b>500,000</b>
<b>SCHEDULE "B" : CASH AND BANK BALANCES</b>		
Cash and Cheques on Hand	30	30
Balances with Scheduled Banks		
On Current Accounts	435,015	499,910
	<b>435,045</b>	<b>499,940</b>
<b>SCHEDULE "C" : LIABILITIES</b>		
Payable to Holding Company [Thomas Cook (India) Limited]	—	60,895
	<b>—</b>	<b>60,895</b>

### Schedule forming part of the Financial Statements for the year ended 31st December, 2008

#### SCHEDULE "D" : NOTES TO THE FINANCIAL STATEMENTS

##### 1. Background

Thomas Cook Tours Limited was incorporated in the state of Maharashtra on 26th December, 1989 under Companies Act, 1956. It's main object is inter-alia to carry on the trades and business of general passengers, tourist and transport agents and contractors. The Company is yet to start its operations.

##### 2. Significant Accounting Policies

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of 'The Companies Act, 1956' of India (the 'Act'). The significant accounting policies are as follows -

- Basis of Accounting  
The financial statements are prepared in accordance with the historical cost convention.
- Since the Company has no operations there are no reportable segments.
- Pre-operative expense amounting to Rs. 60,955 incurred during the previous periods has been written off during the current year.
- Micro & Small Scale Business Entities  
There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at 31st December, 2008.
- Related Party Disclosures

(A) Enterprises where control exists  
Holding Company Thomas Cook (India) Limited, India holds 100% of equity shares of the Company. TCIM Limited, UK holds 54.42% of Equity Shares of Thomas Cook (India) Ltd. Thomas Cook UK Limited, the holding company of TCIM Limited, UK is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.

(B) Key Management Personnel Madhavan Menon  
R. R. Kenkare  
Udayan Bose

(C) Disclosure of transactions between the Company and related parties and outstanding balances as at the year end

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
(i) Reimbursement of Expenses	64,895	—
Thomas Cook (India) Ltd.		
(ii) Balances as at the year end -		
Outstanding Payables		
Thomas Cook (India) Ltd.	—	60,895
(d) Basic Earnings per share has been calculated by dividing loss after taxation, attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. The numbers used in calculating basic and diluted earnings are stated below:		
Profit/(Loss) after tax	(64,955)	—
Weighted average number of shares - Basic & Diluted	50,000	50,000
Basic/Diluted Earnings per Share (Rs. per Equity Share of Rs. 10 each)	(1.30)	—

## Cash Flow Statement for the year ended 31st December, 2008

	Year ended 31st December, 2008		Year ended 31st December, 2007	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Loss before taxation	(64,955)		—	
Add: Adjustments	—		—	
Pre-operative Expenses written off	60,955			
	(4,000)		—	
Operating profit before working capital changes	(4,000)		—	
Adjustments for -				
Trade and Other Payables	(60,895)		—	
Misc. Expenditure W/off			—	
Cash used in operations	(64,895)		—	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	—		—	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	—		—	
Net decrease in cash and cash equivalent	(64,895)		—	
Cash and cash equivalents - Opening balance	499,940		499,940	
Cash and cash equivalents - Closing balance	435,045		499,940	

**Note:**

The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, issued by the Institute of Chartered Accountants of India.

In terms of our report of even date

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants  
Mumbai, 26th February, 2009

For and on behalf of the Board

MADHAVAN MENON — DIRECTOR

VINAYAK K. PUROHIT — DIRECTOR

RAKSHIT DESAI — DIRECTOR

Mumbai, 26th February, 2009

## Balance Sheet Abstract and Company's General Business Profile

I. Registration Details  
 Registration No.  State Code   
 Balance Sheet Date  Date  Month  Year

II. Capital raised during the year (Rupees in Thousands)  
 Public Issue   
 Bonus Issue   
 Rights Issue   
 Private Placement

III. Position of Mobilisation and Deployment of Funds (Rupees in Thousands)  
 Total Liabilities   
 Sources of Funds   
 Paid-up Capital   
 Secured Loans   
 Reserves & Surplus   
 Unsecured Loans   
 Application of Funds   
 Net Fixed Assets   
 Net Current Assets   
 Investments   
 Accumulated Losses   
 Misc. Expenditure to the extent not written off

For and on behalf of the Board  
 MADHAVAN MENON — DIRECTOR  
 VINAYAK K. PUROHIT — DIRECTOR  
 RAKSHIT DESAI — DIRECTOR

Mumbai, 26th February, 2009

## Directors' Report

### TO THE MEMBERS

Your Directors have pleasure in presenting the Twentieth Annual Report and the Balance Sheet as at 31st December, 2008 and Profit and Loss Account for the financial year ended 31st December, 2008.

### OPERATIONS:

There were no business activities carried on throughout the financial year ended 31st December, 2008.

### FINANCIAL RESULTS:

During the year under review, the Company did not carry on any business activities and accordingly no income was generated.

### DIVIDEND:

In view of no business activities, your Directors do not recommend any dividend for the year under review.

### FIXED DEPOSITS:

The Company has not accepted any deposit from the public during the year under review.

### DIRECTORS:

In accordance with Article 130 of the Articles of Association, Mr. Madhavan Menon retires by rotation and being eligible offers himself for re-appointment. Mr. Rakshit Desai and Mr. Vinayak K. Purohit were appointed as Additional Directors of the Company effective from 11th February, 2009. By virtue of Section 260 of the Companies Act, 1956 they hold office upto the date of the ensuing Annual General Meeting and in respect of them, the Company has received notices in writing under Section 257 of the Companies Act, 1956 proposing their candidature for the office of Directors of the Company at the forthcoming Annual General Meeting.

Mr. R. R. Kenkare has resigned as Director of the Company effective from 11th February, 2009. Mr. Udayan Bose has resigned as Director of the Company effective from 19th February, 2009. The Board hereby place on record the sincere appreciation of valuable advice given by them during the tenure of their office as Directors of the Company.

### AUDITORS:

M/s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

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

During the year under review, there was no business carried on by the Company and accordingly information u/s 217(1) (e) of the Companies Act, 1956 is Nil.

### INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956:

No employees were employed throughout the year under review. Therefore, the particulars required under Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder are not furnished herewith.

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards were followed alongwith proper explanation relating to material departures;
2. The accounting policies were selected and applied consistently and judgements and estimates were made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year under review;
3. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities were taken;
4. The annual accounts were prepared on a going concern basis.

For and on behalf of the Board  
MADHAVAN MENON — DIRECTOR  
VINAYAK K. PUROHIT — DIRECTOR

Mumbai, 26th February, 2009

## Auditors' Report

To the members of Indian Horizon Travel and Tours Limited

1. We have audited the attached Balance Sheet of Indian Horizon Travel And Tours Limited, as at 31st December, 2008, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the 'Act') 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 a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have 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 appears from our examination of those books;
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors, as on 31st December, 2008 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2008 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2008;
  - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

SHARMILA A. KARVE  
Partner  
Membership No. 43229

For and on behalf of  
LOVELOCK & LEWES  
Chartered Accountants  
Mumbai, 26th February, 2009

## Annexure To The Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Indian Horizon Travel And Tours Limited on the financial statements for the year ended 31st December, 2008]

1. (a) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (b) The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable to the Company for the current year.
2. There are no transactions of purchase of inventory, fixed assets and sale of goods during the year. Therefore provisions of Clause 4(iv) of the Order are not applicable to the Company.
3. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act during the year that need to be entered in the register maintained under that section. Accordingly, Clause (v) (b) of paragraph 4 of the Order is not applicable to the Company for the current year.
4. The Company has not accepted any deposits from the public within the meaning of Sections 58A & 58AA of the Act and the rules framed there under.
5. As the paid-up capital and reserves of the Company does not exceed Rs. 50 lakhs and nor does its average annual turnover exceed Rs. 5 crores for the three consecutive financial years immediately preceding the current financial year, Clause (vii) of paragraph 4 of the Order pertaining to Internal Audit is not applicable to the Company for the current year.
6. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues as applicable with the appropriate authorities in India.
7. The Company has accumulated losses of Rs. 65,120 as at 31st December, 2008 and has incurred cash losses in the financial year ended on that date.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
9. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
10. The provisions of special statue applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
11. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
12. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
13. The Company has not obtained any term loans.
14. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanation given to us, there are no funds raised on short-term basis which have been used for the long-term investment.
15. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act during the year.
16. The Company has not issued any debentures.

17. The Company has not raised any money by public issues during the year.
18. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
19. According to the information and explanations given to us and taking into consideration the nature of business of the Company, the matters specified in Clauses (i), (ii) and (viii) of paragraph 4 of the Order are not applicable to the Company.

SHARMILA A. KARVE

Partner

Membership No. 43229

For and on behalf of

LOVELOCK &amp; LEWES

Chartered Accountants

Mumbai, 26th February, 2009

**Balance Sheet as at 31st December, 2008**

	Schedule	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Capital	A	500,000	500,000
<b>TOTAL</b>		<b>500,000</b>	<b>500,000</b>
<b>APPLICATION OF FUNDS</b>			
Current Assets, Loans and Advances			
Cash and Bank Balances	B	434,880	499,940
Less: Current Liabilities and Provisions			
Liabilities	C	—	61,060
Net Current Assets		434,880	438,880
Profit and Loss Account		65,120	—
Miscellaneous Expenditure		—	61,120
(To the extent not written off/adjusted)			
<b>TOTAL</b>		<b>500,000</b>	<b>500,000</b>
Notes to the Financial Statements	D	—	—
Schedules "A" to "D" referred to above form an integral part of the Balance Sheet.		—	—
In terms of our report of even date	For and on behalf of the Board		
SHARMILA A. KARVE	MADHAVAN MENON — DIRECTOR		
Partner			
Membership No. 43229	VINAYAK K. PUROHIT — DIRECTOR		
For and on behalf of	RAKSHIT DESAI — DIRECTOR		
LOVELOCK & LEWES			
Chartered Accountants			
Mumbai, 26th February, 2009	Mumbai, 26th February, 2009		

**Profit and Loss Account for the year ended 31st December, 2008**

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
<b>INCOME</b>	—	—
<b>EXPENDITURE</b>		
Preoperative expenses written off	61,120	—
Legal and Professional Charges	4,000	—
Profit before Taxation	(65,120)	—
Provision for Taxation		
Current Tax	—	—
Deferred Tax	—	—
Net Loss	(65,120)	—
Balance brought forward from previous year	—	—
Balance carried to Balance Sheet	(65,120)	—
Earnings per Share - Basic & Diluted	(1.30)	—
[Rs. per Equity Share of Re. 10 each]		
Refer Note 3(d) of Schedule "D"		
In terms of our report of even date	For and on behalf of the Board	
SHARMILA A. KARVE	MADHAVAN MENON — DIRECTOR	
Partner		
Membership No. 43229	VINAYAK K. PUROHIT — DIRECTOR	
For and on behalf of	RAKSHIT DESAI — DIRECTOR	
LOVELOCK & LEWES		
Chartered Accountants		
Mumbai, 26th February, 2009	Mumbai, 26th February, 2009	

**Schedule forming part of the Balance Sheet as at 31st December, 2008**

	As at 31st December, 2008 Rupees	As at 31st December, 2007 Rupees
<b>SCHEDULE "A" : CAPITAL</b>		
Authorised		
500,000 equity shares of Rs. 10/- each	5,000,000	5,000,000
	5,000,000	5,000,000
Issued and Subscribed		
50,000 equity shares of Rs. 10/- each fully paid	500,000	500,000
Of the above 50,000 equity shares are held by the holding company, Thomas Cook (India) Limited and its nominees.	500,000	500,000
<b>SCHEDULE "B" : CASH AND BANK BALANCES</b>		
Cash and Cheques on Hand	30	30
Balances with Scheduled Banks		
On Current Accounts	434,850	499,910
	434,880	499,940
<b>SCHEDULE "C" : LIABILITIES</b>		
Payable to Holding Company [Thomas Cook (India) Limited]	—	61,060
	—	61,060

**Schedule forming part of the Financial Statements for the year ended 31st December, 2008****SCHEDULE "D" : NOTES TO THE FINANCIAL STATEMENTS****1. Background**

Indian Horizon Travel and Tours Limited was incorporated in the state of Maharashtra on 26th December, 1989 under Companies Act, 1956. Its main object is *inter-alia* to carry on the trades and business of general passengers, tourist and transport agents and contractors. Company is yet to commence its business.

**2. Significant Accounting Policies**

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of 'The Companies Act, 1956' of India (the 'Act'). The significant accounting policies are as follows -

## (a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

## (b) Since the Company has no operations there are no reportable segments.

**3. (a) Pre-operative expense amounting to Rs. 61,120 incurred during the previous periods has been written off during the current year.**

## (b) Micro &amp; Small Scale Business Entities

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at 31st December, 2008.

## (c) Related Party Disclosures

## (A) Enterprises where control exists

## (i) Holding Company

Thomas Cook (India) Limited, India holds 100% of equity shares of the Company. TCIM Limited, UK holds 54.42% of Equity Shares of Thomas Cook (India) Ltd. Thomas Cook UK Limited, the holding company of TCIM Limited, UK is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.

## (B) Key Management Personnel

Madhavan Menon  
R. R. Kenkare  
Udayan Bose

## (C) Disclosure of transactions between the Company and related parties and outstanding balances as at the year end

	Year ended 31st December, 2008 Rupees	Year ended 31st December, 2007 Rupees
(i) Reimbursement of Expenses	65,120	—
Thomas Cook (India) Ltd		
(ii) Balances as at the year end -		
Outstanding Payables		
Thomas Cook (India) Ltd.	—	61,060
(d) Basic Earnings per share has been calculated by dividing loss after taxation, attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. The numbers used in calculating basic and diluted earnings are stated below:		
Profit/(Loss) after tax	(65,120)	—
Weighted average number of shares	50,000	50,000
Basic/Diluted Earnings per Share	(1.30)	—
(Rs. per Equity Share of Rs. 10 each)		

## Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.   -      State Code

Balance Sheet Date

Date Month Year

II. Capital raised during the year (Rupees in Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Rupees in Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure to the extent not written off

Accumulated Losses

	For and on behalf of the Board
MADHAVAN MENON	– DIRECTOR
VINAYAK K. PUROHIT	– DIRECTOR
RAKSHIT DESAI	– DIRECTOR

Mumbai, 26th February, 2009



## Directors' Report

The Directors have the pleasure in submitting their annual report together with the audited financial statements of Thomas Cook (Mauritius) Holding Company Limited, the "Group" and the "Company", for the year ended 31st December, 2008.

### PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments.

### RESULTS AND DIVIDENDS

The results for the year of the Group and the Company are shown in the income statements of the financial statements.

The Directors do not recommend the payment of any dividend for the year under review.

### DIRECTORS AND DIRECTORS' REMUNERATION

The present membership of the Board is as below:

Name of Director	Date Appointed	Date Resigned
Mr Louis Emmanuel Ng Cheong Tin	14 June, 2004	31 July, 2008
Mr Uday Kumar Gujadhur	14 June, 2004	
Mr Madhavan Menon	14 June, 2004	
Mr Udayan Bose	02 February, 2006	
Mr Iqbal Rajahbalee	05 October, 2006	
Mr Kapildeo Joory	11 February, 2008	

No remuneration was paid to full-time executive directors for the year ended 31st December, 2008.

### DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Group and of the Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act, 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### SIGNIFICANT CONTRACTS

No contracts of significance or loans existed during the year under review between the Group and the Company and its Directors.

### DIRECTORS' SHARE INTEREST

The directors hold no shares in the Company whether directly or indirectly.

### DONATIONS

The Group and the Company made no donation for the year under review (2007 – Nil).

### AUDITORS

The auditors, Kemp Chatteris Deloitte, have indicated their willingness to continue in office.

Auditors' remunerations were as follows:

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
Audit services	18,650	17,600	4,000	4,000
Other services	4,550	2,100	600	600
	<u>23,200</u>	<u>19,700</u>	<u>4,600</u>	<u>4,600</u>

By Order of the Board

MADHAVAN MENON – DIRECTOR

Mauritius, 20th February, 2009 UDAY KUMAR GUJADHUR – DIRECTOR

## Secretary's Certificate under Section 166(d) of the Companies Act, 2001 for the year ended 31st December, 2008

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of Thomas Cook (Mauritius) Holding Company Limited under the Mauritian Companies Act, 2001 for the financial year ended 31st December, 2008.

Multiconsult Limited

Corporate Secretary

Mauritius, 20th February, 2009

## Auditor's Report

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act, 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Report on the Financial Statements

We have audited the financial statements of Thomas Cook (Mauritius) Holding Company Limited which comprise the balance sheets as at 31 December 2008 and the income statements, statements of changes in equity and cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Directors' responsibilities for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, 2001 in so far as applicable to Category 1 Global Business Licence companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and the Company as at 31st December, 2008, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act, 2001 in so far as applicable to Category 1 Global Business Licence companies.

### Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act, 2001, we report as follows:

- we have no relationship with, or interests in, the Company other than in our capacities as auditors and tax advisors;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

KEMP CHATTERIS DELOITTE

TWALAB BUTONKEE

Mauritius, 20th February, 2009

Partner



## Balance Sheet at 31st December, 2008

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Plant and equipment (Note 10)	513,254	519,567	—	—
Investments in subsidiaries (Note 11)	—	—	1,179,792	1,179,792
	513,254	519,567	1,179,792	1,179,792
<b>Current Assets</b>				
Trade and other receivables (Note 12)	684,308	766,930	726	—
Loan receivable (Note 13)	—	—	500,000	—
Cash at bank and in hand (Note 18)	3,884,808	2,924,714	2,371	512,808
	4,569,116	3,691,644	503,097	512,808
Total assets	5,082,370	4,211,211	1,682,889	1,692,600
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Stated capital (Note 14)	1,655,500	1,655,500	1,655,500	1,655,500
Retained earnings	2,268,680	1,032,033	(60,863)	(39,311)
Currency translation reserves	(272,863)	237,852	36,087	36,087
<b>Total equity attributable to equity holders of the parent</b>	3,651,317	2,925,385	1,630,724	1,652,276
<b>Non-current liabilities</b>				
Retirement benefit obligations (Note 15)	23,624	16,549	—	—
Obligations under finance leases (Note 16)	56,749	83,926	—	—
Deferred tax liabilities (Note 9)	29,925	21,805	—	—
	110,298	122,280	—	—
<b>Current liabilities</b>				
Trade and other payables (Note 17)	529,324	964,018	52,165	40,324
Borrowings (Note 19)	545,285	—	—	—
Obligations under finance leases (Note 16)	31,403	30,308	—	—
Taxation (Note 9)	214,743	169,220	—	—
	1,320,755	1,163,546	52,165	40,324
Total equity and liabilities	5,082,370	4,211,211	1,682,889	1,692,600

The accounting policies and notes form an integral part of the financial statements

Approved by the Board and signed on his behalf by :  
 KEMP CHATTERIS DELOITTE MADHAVAN MENON — DIRECTOR  
 TWALAB BUTONKEE UDAY KUMAR GUJADHUR — DIRECTOR  
 Partner  
 Mauritius, 20th February, 2009 Mauritius, 20th February, 2009

## Income Statements for the year ended 31st December, 2008

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
Net gains/(losses) arising from dealing in foreign currencies	3,049,925	1,875,629	—	(76,838)
Other operating income (Note 5)	508,061	307,039	—	—
Occupancy expenses	(16,158)	(117,953)	—	—
Administrative expenses	(2,008,100)	(1,084,044)	(22,396)	(10,305)
Net finance (cost)/income (Note 6)	(39,708)	(22,759)	844	9,011
Profit/(loss) before taxation	1,494,020	957,912	(21,552)	(78,132)
Taxation (Note 9)	(257,373)	(203,529)	—	—
Profit/(loss) for the year attributable to equity holders of the parent (Note 7)	1,236,647	754,383	(21,552)	(78,132)

The accounting policies and notes form an integral part of the financial statements

Approved by the Board and signed on his behalf by :  
 KEMP CHATTERIS DELOITTE MADHAVAN MENON — DIRECTOR  
 TWALAB BUTONKEE UDAY KUMAR GUJADHUR — DIRECTOR  
 Partner  
 Mauritius, 20th February, 2009 Mauritius, 20th February, 2009

## Statements of Changes in Equity for the year ended 31st December, 2008

Group	Attributable to equity holders of the parent			
	Stated capital USD	Retained earnings USD	Currency translation reserves USD	Total USD
At 1st January, 2007	1,655,500	277,650	(281,315)	1,651,835
Movement during the year	—	—	519,167	519,167
Profit for the year	—	754,383	—	754,383
Total recognised income	—	754,383	519,167	1,273,550
At 31st December, 2007	1,655,500	1,032,033	237,852	2,925,385
Movement during the year	—	—	(510,715)	(510,715)
Profit for the year	—	1,236,647	—	1,236,647
Total recognised income/(expense)	—	1,236,647	(510,715)	725,932
At 31st December, 2008	1,655,500	2,268,680	(272,863)	3,651,317

Company	Attributable to equity holders of the parent			
	Stated capital USD	Retained earnings USD	Currency translation reserves USD	Total USD
At 1st January, 2007	1,655,500	38,821	(274,887)	1,419,434
Movement during the year	—	—	310,974	310,974
Loss for the year	—	(78,132)	—	(78,132)
Total recognised (expense)/income	—	(78,132)	310,974	232,842
At 31st December, 2007	1,655,500	(39,311)	36,087	1,652,276
Loss for the year	—	(21,552)	—	(21,552)
At 31st December, 2008	1,655,500	(60,863)	36,087	1,630,724

**Cash Flow Statement for the year ended  
31st December, 2008**

140

	<b>Group</b>		<b>Company</b>	
	2008	2007	2008	2007
	USD	USD	USD	USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	1,494,020	957,912	(21,552)	(78,132)
Adjustments for:				
Depreciation of plant and equipment	84,960	58,903	—	—
Interest expense	64,375	60,571	—	—
Retirement benefit obligations	9,498	9,399	—	—
Interest income	(24,667)	(37,812)	(844)	(9,011)
Effect of exchange differences	(507,367)	462,457	—	79,299
<b>Operating profit/(loss) before working capital changes</b>	1,120,819	1,511,430	(22,396)	(7,844)
(Increase)/decrease in trade and other receivables	82,622	(621,749)	(500,726)	9,999
(Decrease)/increase in trade and other payables	(434,694)	449,793	11,841	9,137
	768,747	1,339,474	(511,281)	11,292
Interest received	24,667	37,812	844	9,011
Interest paid	(64,375)	(60,571)	—	—
Tax paid	(165,971)	(70,854)	—	—
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	563,068	1,245,861	(510,437)	20,303
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale of investment	—	238,312	—	284,735
Purchase of plant and equipment	(122,177)	(135,445)	—	—
Proceeds received from loan repayment	—	289,228	—	289,228
Investment in subsidiary	—	—	—	(85,000)
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	(122,177)	392,095	—	488,963
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of finance lease obligations	(26,082)	(20,531)	—	—
Short-term loan received	5,291,864	—	—	—
Repayment of short-term loan	(4,819,386)	(159,591)	—	—
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	446,396	(180,122)	—	—
<b>Increase/(decrease) in cash and cash equivalents</b>	887,287	1,457,834	(510,437)	509,266
<b>CASH AND CASH EQUIVALENTS AT START OF PERIOD (NOTE 18)</b>	2,924,714	1,466,880	512,808	3,542
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD (NOTE 18)</b>	3,812,001	2,924,714	2,371	512,808

The accounting policies and notes form an integral part of the financial statements

	Aproved by the Board and signed on his behalf by :	
KEMP CHATTERIS DELOITTE	MADHAVAN MENON	— DIRECTOR
TWALAB BUTONKEE	UDAY KUMAR GUJADHUR	— DIRECTOR
Partner		
Mauritius, 20th February, 2009	Mauritius, 20th February, 2009	

**Notes to the Financial Statements for  
the year ended 31st December, 2008**

**1. INCORPORATION AND ACTIVITIES**

Thomas Cook (Mauritius) Holding Company Limited, the "Company", was incorporated in Mauritius as a private company with limited liability. The Company's registered office and principal place of business are situated at 10, Frère Felix de Valois Street, Port Louis, Mauritius. The principal activity of the Company is to hold investments. The Company is licensed as a Category 1 Global Business under the Financial Services Act 2007.

The Company holds 100% of the issued share capital in the following subsidiaries:

- Thomas Cook (Mauritius) Operations Co. Ltd, a subsidiary, incorporated in Mauritius, and whose principal activity is to act as a foreign exchange dealer. The subsidiary was operational during the year ended 31 December 2008;
- Thomas Cook (Mauritius) Travel Ltd, a subsidiary, incorporated in Mauritius, and whose principal activity is to act as a General Sales Agent. The subsidiary was operational during the period year 31st December, 2008;
- Thomas Cook (Mauritius) Holidays Ltd, a subsidiary, incorporated in Mauritius, and whose principal activity is to operate as a tour operator and travel agency. The subsidiary was operational during the year ended 31st December, 2008;

**2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

In the current year, the Group and the Company have adopted all of the new and revised standard and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1st January, 2008. The adoption of these new and revised standards and interpretations has not resulted in any changes to the Group's and the Company's accounting policies that would affect the amounts reported for the current or prior years.

At the balance sheet date, the following Standards and Interpretations were in issue but not yet effective:

- |        |   |
|--------|---|
| IAS 1  | Presentation of Financial Statements - Comprehensive revision including requiring a statement of comprehensive income (effective 1st January, 2009)                   |
| IAS 1  | Presentation of Financial Statements - Amendments relating to disclosure of puttable instruments and obligations arising on liquidation (effective 1st January, 2009) |
| IAS 1  | Presentation of Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)                                  |
| IAS 16 | Property, Plant and Equipment - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)   |
| IAS 19 | Employee Benefits - Amendments resulting from May 2008 Annual improvement to IFRSs (effective 1st January, 2009)  |
| IAS 20 | Government Grants and Disclosure of Government Assistance - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)             |
| IAS 23 | Borrowing Costs - Comprehensive revision to prohibit immediate expensing (effective 1st January, 2009)  |
| IAS 23 | Borrowings Costs - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)  |
| IAS 27 | Consolidated and Separate Financial Statements - Consequential amendments arising from amendments to IFRS 3 (effective 1st July, 2009)                                |
| IAS 27 | Consolidated and Separate Financial Statements - Amendment relating to cost of an investment on first time adoption (effective 1st January, 2009)                     |
| IAS 27 | Consolidated and Separate Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)                        |
| IAS 28 | Investments in Associates - Consequential amendments arising from amendments to IFRS 3 (effective 1st July, 2009)   |
| IAS 28 | Investments in Associates - Amendments resulting from May 2008 Annual improvements to IFRSs (effective 1st January, 2009)   |
| IAS 29 | Financial Reporting in Hyperinflationary Economies - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)                    |
| IAS 31 | Interests in Joint Ventures - Consequential amendments arising from amendments to IFRS 3 (effective 1st July, 2009)   |
| IAS 31 | Interests in Joint Ventures - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)   |
| IAS 32 | Financial Instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation (effective 1st January, 2009)                |
| IAS 36 | Impairment of Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)  |
| IAS 38 | Intangible Assets - amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)   |
| IAS 39 | Financial Instruments: Recognition and Measurement - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)                    |
| IAS 39 | Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items (effective 1st July, 2009)  |
| IAS 40 | Investment Property - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)   |
| IAS 41 | Agriculture - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st January, 2009)   |
| IFRS 1 | First-time Adoption of International Financial Reporting Standards - Amendment relating to cost of an investment on first-time adoption (effective 1st January, 2009) |
| IFRS 2 | Share-based Payment - Amendment relating to vesting conditions and cancellations (effective 1st January, 2009)  |
| IFRS 3 | Business Combinations - Comprehensive revision on applying the acquisition method (effective 1st July, 2009)  |
| IFRS 5 | Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1st July, 2009)             |
| IFRS 8 | Operating Segments (effective 1st January, 2009)  |

## Notes to the Financial Statements for the year ended 31st December, 2008

141

IFRIC 13 Customer Loyalty Programme (effective 1st January, 2009)

IFRIC 15 Agreements for the construction of real estate (effective 1st January, 2009)

IFRIC 16 Hedges of a net investment in a foreign operation (effective 1st October, 2008)

IFRIC 17 Distributions of Non-Cash Assets to Owners (effective 1st July, 2009)

IFRIC 18 Transfer of Assets from Customers (effective 1st July, 2009)

The directors anticipate that all of the above Standards and Interpretations will be adopted as on their effective dates and that the adoption of those Standards and Interpretations will have no material impact on the financial statements of the Group and the Company.

### 3 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

The consolidated financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS").

#### **Basis of consolidation**

The consolidated financial statements include the results of the Company and of its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statements from the date of their acquisition or up to the date of their disposal. Inter-Group transactions are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries.

#### **Business combinations**

Subsidiaries, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies are consolidated.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statement.

#### **Investments in subsidiaries**

In the Company's financial statements, investments in subsidiaries are stated at cost. The carrying amount is reduced if there is any indication of impairment in value.

#### **Foreign currency translations**

The Company's functional currency is Mauritian Rupee (MUR) and its presentation currency is United States Dollar (USD). Transactions denominated in foreign currencies are recorded in MUR at the rates of exchange ruling at the dates of the transactions. Exchange gains and losses are dealt with through the income statement. Monetary assets and liabilities at the balance sheet date, denominated in the functional currencies are translated into USD at the rates of exchange ruling at that date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and recognised as translation reserve.

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in US Dollar, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing on the balance sheet date.

Exchange differences arising on the settlement and the retranslation of monetary items are recognised in the income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are expressed in US Dollar using exchange rates prevailing on the balance sheet date. Their results for the period are translated into US Dollar at average exchange rates for the period. The exchange differences arising from translation of the foreign operations are taken to the group's translation reserve. Such translation differences are recognised in the income statement in the period in which the foreign operation is disposed of.

#### **Plant and equipment**

Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the

acquisition of the item.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on the straight line method to allocate their cost to their residual value over their estimated useful lives. The annual depreciation rates used are as follows:

Office equipment	4.75%
Computer equipment	25.00%
Furniture and fittings	6.33%
Motor vehicles	15.00%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are included in the income statement.

#### **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

#### **Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

#### **Cash and cash equivalents**

Cash comprises cash at bank and in hand and demand deposits net of bank overdrafts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value.

#### **Share capital**

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liability in the financial statements in the period in which the dividends are approved by the Group's and the Company's shareholders.

#### **Retirement benefit obligations**

##### **Under Labour Act**

The present value of retirement benefits under Labour Act is recognised in the balance sheet as a non-current liability. The rate used to discount the retirement benefit is assumed to be the same as that which reflects future salary increases.

##### **Under state plan**

Contributions to the National Pension Scheme are expensed to the income statement in the year in which it falls due.

#### **Related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company, are subject to common control. Related parties may be individual or other entities.

#### **Leases**

##### **The Group as lessee**

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

## Notes to the Financial Statements for the year ended 31st December, 2008

142

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to income statements, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### Revenue recognition

Revenues earned by the Group are recognised on the following bases:

Dealing in foreign exchange are recognised on customer acceptance. Gains and losses arising on dealings in foreign currencies are recognised on a net basis.

Fees and commissions on air tickets sold are recognised when the service has been provided. Commissions earned as general sales agent of airline operators are recognised on the basis of revenue derived by the airline operator from all ticket sales in Mauritius.

Fees and commissions are recognised on an accrual basis when the service has been provided.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

### Provisions

A provision is recognised when and only when there is a present obligation (legal or constructive) as a result of a past event, and 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. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

### Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Group and the Company has become party to the contractual provisions of the financial instruments.

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:-

#### (i) Accounts receivables

Accounts receivables originated by the Group are stated at cost less provision for doubtful debts. An estimate of doubtful debts is made based on a review of all outstanding amounts at balance sheet date. Bad debts are written off during the period in which they are identified.

#### (ii) Cash and cash equivalents

Cash and cash equivalents are measured at fair values, based on the relevant exchange rates at balance sheet date.

#### (iii) Accounts payables

Accounts payables are stated at amortised cost.

#### (iv) Borrowings

Interest bearing loans and overdrafts are measured at amortised cost, using the effective interest rate method.

### Comparative figures

Where necessary, comparative figures have been restated or reclassified to conform to the current year's presentation.

## 4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 5. OTHER OPERATING INCOME

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
Income on telegraphic transfers	23,305	—	—	—
Income on currency swaps and crossing	57,653	—	—	—
Commission received on MoneyGram	152,741	—	—	—
Commission received on travellers cheques	9,045	—	—	—
Net gain on revaluation of bank balances	1,068	—	—	—
Fair value gain on forward contracts	14,817	—	—	—
Brokerage fees paid	(1,503)	—	—	—
Transport revenue	107,830	12,416	—	—
Commission received	15,242	281,119	—	—
Handling and other fees	127,863	13,504	—	—
	<u>508,061</u>	<u>307,039</u>	<u>—</u>	<u>—</u>

## 6. NET FINANCE (COST)/INCOME

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
Bank and other interest income	24,667	37,812	844	9,011
Finance lease charges	(14,558)	(17,379)	—	—
Interest on bank loan	(49,817)	(36,888)	—	—
Interest on loan from related company	—	(6,304)	—	—
	<u>(39,708)</u>	<u>(22,759)</u>	<u>844</u>	<u>9,011</u>

## 7. PROFIT/(LOSS) FOR THE YEAR

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
Profit/(loss) for the year is arrived at after charging:				
Impairment loss recognised on receivables	8,327	109,541	—	—
Depreciation on plant and equipment	84,960	58,903	—	—
Operating lease rentals	157,719	117,953	—	—
Staff costs (Note 8)	926,527	535,509	—	—

## 8. STAFF COSTS

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
Salaries and allowances	902,039	518,266	—	—
Social security costs	24,488	17,243	—	—
	<u>926,527</u>	<u>535,509</u>	<u>—</u>	<u>—</u>

## 9. TAXATION

### Company

The Company is subject to income tax in Mauritius on its chargeable income at 15% (2007: 15%). It is however entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritius tax on its foreign source income. No provision has been made in the financial statements as the Company has accumulated tax losses of USD 59,786 (2007: USD 21,503) available for future offset.

### Group

#### Income tax

In respect of the subsidiaries, income tax is calculated at the rate of 15% (2007: 15%) on the profit for the year as adjusted for income tax purposes.

	Group	
	2008 USD	2007 USD
Current tax liabilities	<u>214,743</u>	<u>169,220</u>
Current tax expenses	2008 USD	2007 USD
Current tax	214,743	169,220
Exchange difference	25,774	—
Under/(over) provision in income tax	4,186	(2,957)
Deferred tax movement	12,670	37,266
	<u>257,373</u>	<u>203,529</u>

### Group

The tax of the Group's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Group as follows:

## Notes to the Financial Statements for the year ended 31st December, 2008

143

	2008 USD	2007 USD
Profit before tax	1,494,020	957,912
Tax at 15% (2007: 15%)	224,103	143,687
Tax effect of:		
- Exempt income	(2,223)	—
- Expenses non-deductible for tax purposes	24,972	33
- Deferred tax not recognised	4,492	5,067
- Tax rate differential	—	7
- Under/(over) provision in income tax in previous year	4,186	(2,957)
- Underprovision in deferred tax in previous years	(1,390)	21,716
- Exchange difference	—	22,427
- Tax loss not utilised	3,233	13,549
	<u>257,373</u>	<u>203,529</u>

### Deferred tax

	2008 USD	2007 USD
Balance at start of year	21,805	(12,594)
Exchange difference	(4,550)	(2,867)
Underprovision in previous year	(1,390)	21,716
Provision for the year	14,060	15,550
	<u>12,670</u>	<u>37,266</u>
Balance at the end of year	<u>29,925</u>	<u>21,805</u>

Deferred tax (assets)/liabilities arise from the following:

	At 1st January, 2008 USD	Charge to income statement USD	At 31st December, 2008 USD
<b>Deferred tax liabilities</b>			
Accelerated capital allowances	29,016	4,453	33,469
<b>Deferred tax assets</b>			
Tax losses	(4,729)	4,729	—
Retirement benefit obligations	(2,482)	(1,062)	(3,544)
Net deferred tax liabilities	<u>21,805</u>	<u>8,120</u>	<u>29,925</u>

### 10. PLANT AND EQUIPMENT

Group	Office equipment USD	Computer equipment USD	Furniture and fittings USD	Motor vehicles USD	Total USD
<b>Costs</b>					
At 1st January, 2007	114,933	122,381	110,467	82,050	429,831
Reclassification	2,456	(2,456)	—	—	—
Additions	61,313	19,319	42,178	92,387	215,197
Exchange difference	26,166	27,864	25,152	18,680	97,862
At 31st December, 2007	204,868	167,108	177,797	193,117	742,890
Additions	55,819	34,395	34,474	20,915	145,603
Exchange difference	(29,991)	(24,462)	(26,028)	(28,270)	(108,751)
At 31st December, 2008	<u>230,696</u>	<u>177,041</u>	<u>186,243</u>	<u>185,762</u>	<u>779,742</u>
<b>Depreciation</b>					
At 1st January, 2007	16,131	61,338	26,980	21,991	126,440
Reclassification	1,591	(1,591)	—	—	—
Charge for the year	6,372	24,084	6,946	21,501	58,903
Exchange difference	4,667	17,724	7,227	8,363	37,981
At 31st December, 2007	28,761	101,555	41,153	51,855	223,324
Charge for the year	10,087	34,039	9,918	30,916	84,960
Exchange difference	(5,291)	(18,514)	(7,087)	(10,904)	(41,796)
At 31st December, 2008	<u>33,557</u>	<u>117,080</u>	<u>43,984</u>	<u>71,867</u>	<u>266,488</u>
<b>Net book value</b>					
At 31st December, 2008	<u>197,139</u>	<u>59,961</u>	<u>142,259</u>	<u>113,895</u>	<u>513,254</u>
At 31st December, 2007	<u>176,107</u>	<u>65,553</u>	<u>136,645</u>	<u>141,262</u>	<u>519,567</u>

At 31st December, 2008, motor vehicles acquired under finance leases had a net book value of USD 113,895 (2007 - USD 141,262).

### Non-cash transactions

Payments made to purchase plant and equipment were as follows:

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
Additions	145,603	215,197	—	—
New finance lease	(23,426)	(79,752)	—	—
Payments made	<u>122,177</u>	<u>135,445</u>	<u>—</u>	<u>—</u>

### 11. INVESTMENTS IN SUBSIDIARIES

#### Company

	2008 USD	2007 USD
Unquoted at cost		
At 1st January	1,179,792	927,600
Additions	—	85,000
Reclassified under current assets	—	220,252
Disposal of investment	—	(220,252)
Redemption of investment – Sri Lanka	—	(42,891)
Exchange difference	—	210,083
At 31st December	<u>1,179,792</u>	<u>1,179,792</u>

Details of investments held in the subsidiaries companies are as follows:

	Country of incorporation	2008 and 2007 % interest	Activity
Thomas Cook (Mauritius) Operations Co. Ltd.	Mauritius	100	Foreign exchange dealer
Thomas Cook (Mauritius) Travel Ltd.	Mauritius	100	General Sales Agent
Thomas Cook (Mauritius) Holidays Ltd.	Mauritius	100	Tour operator and travel agent

### 12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
Trade receivables	245,691	344,232	—	—
Provision for doubtful debts	(6,491)	(134,482)	—	—
	<u>239,200</u>	<u>209,750</u>	<u>—</u>	<u>—</u>
Amount due by related parties (Note 21)	152,535	199,707	—	—
Rentals and other deposits	62,611	28,883	—	—
Other receivables and prepayments	229,962	328,590	726	—
	<u>684,308</u>	<u>766,930</u>	<u>726</u>	<u>—</u>

The average credit period on sales of air tickets and holiday packages is 45 days. Of the trade receivables balance at the end of the year, 9% is due from the largest customer. Customer balances, representing more than 5% of the total balance of trade receivables, amounted to USD 34,780. Included in trade receivables balance are debtors with a carrying amount of USD 164,502 (2007: USD 90,351) which are past due and for which no provision has been made as amounts are still considered recoverable.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. In determining the recoverability of a trade receivables the Company considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. Provision for doubtful debts is determined on a case to case basis.

#### Ageing of past due but not impaired:

	2008 USD	2007 USD
45 - 90 days	55,834	40,873
90 - 120 days	28,045	27,412
More than 120 days	80,623	22,066
	<u>164,502</u>	<u>90,351</u>

#### Movement in the allowance for doubtful debts

	2008 USD	2007 USD
At beginning of the year	134,482	—
Movement for the year	8,327	109,541
Impairment losses reversed	(111,420)	—
Exchange difference	(23,062)	24,941
Amount written off	(1,836)	—
At end of the year	<u>6,491</u>	<u>134,482</u>

Included in the provision for doubtful debts are individually impaired trade receivables with a balance of USD 8,327 (2007 - Nil) which have been placed under liquidation and was past due for more than 120 days.

## Notes to the Financial Statements for the year ended 31st December, 2008

144

### 13. LOAN RECEIVABLE

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
At beginning of year	—	289,228	—	289,228
Amount received during the year	—	(289,228)	500,000	(289,228)
At end of year	—	—	500,000	—

The loan of USD 500,000 to related party is unsecured, interest free and repayable on demand.

### 14. STATED CAPITAL

	2008 USD	2007 USD
1,655,500 Ordinary Shares of USD 1 each	1,655,500	1,655,500

### 15. RETIREMENT BENEFIT OBLIGATIONS

#### (a) Under Labour Act

Amount recognised in the balance sheet:

	2008 USD	2007 USD
At beginning of year	16,549	4,630
Movement during the year	9,498	9,399
Exchange difference	(2,423)	2,520
At end of year	23,624	16,549

Amount recognised in the income statement:

	2008 USD	2007 USD
Total included in staff costs (note 8)	9,498	9,399

#### (b) State Pension Plan

	2008 USD	2007 USD
National Pension Scheme Contribution expensed	11,864	17,243

### 16. OBLIGATION UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2008 USD	2007 USD	2008 USD	2007 USD
Within one year	40,822	42,850	31,403	30,308
Between two and five years	68,913	109,458	56,749	83,926
	109,735	152,308	88,152	114,234
Less future finance charges	(21,583)	(38,074)	—	—
Present value of minimum lease payments	88,152	114,234	88,152	114,234

	2008 USD	2007 USD
Included in the financial statements as:		
- Current borrowings	31,403	30,308
- Non-current borrowings	56,749	83,926
	88,152	114,234

#### Leasing arrangement

Finance leases relate to motor vehicles with lease terms of 5 years. The Company has options to purchase the vehicles for a nominal amount at the conclusion of the lease agreements. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

#### Fair value

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

### 17. TRADE AND OTHER PAYABLES

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
Trade payables	324,496	574,171	—	—
Amount due to related parties (Note 21)	27,563	239,750	45,080	33,757
Accruals and other payables	177,265	150,097	7,085	6,567
	529,324	964,018	52,165	40,324

The average credit period on purchase of air tickets is 60 days. Amount due in respect of telegraphic transfer transactions are settled the following day. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

### 18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
Cash at bank and in hand	3,884,808	2,924,714	2,371	512,808
Bank overdraft (Note 19)	(72,807)	—	—	—
	3,812,001	2,924,714	2,371	512,808

### 19. BORROWINGS

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
<b>Current</b>				
Short-term loan	472,478	—	—	—
Bank overdraft (Note 18)	72,807	—	—	—
	545,285	—	—	—

The short-term loan relates to a facility obtained under the Money Market Line from the Hong Kong Shanghai Corporation Limited. The loan is unsecured, carried interest at 10.70% and was repaid on 5th January, 2009.

The bank overdraft was unsecured.

### 20. HOLDING COMPANY

The ultimate parent Company was formerly Dubai Financial (L.L.C), a subsidiary of Dubai Investment Group (L.L.C). On 7th March, 2008, Thomas Cook Group Plc (UK) acquired the shares of Dubai Investment Group (L.L.C) and as a result, Thomas Cook Group Plc (UK) became the ultimate holding company. The Company's immediate holding company is Thomas Cook (India) Limited, a company incorporated in India.

### 21. RELATED PARTY TRANSACTIONS

The Group is making the following disclosures in accordance with IAS 24 (Related Party Disclosures):

#### Amount due by related parties:

	2008 USD	2007 USD
(i) Thomas Cook (India) Limited		
At beginning of year	199,707	9,403
Receipts during the year	(20,482)	—
Receipts on behalf of the Company	—	134,394
Exchange difference	(26,690)	55,910
At end of year	152,535	199,707

#### Amount due to related parties:

	2008 USD	2007 USD
(i) Thomas Cook (India) Limited		
At beginning of year	239,750	7,906
Expenses paid on behalf of the Company	12,138	5,308
Amount repaid by the Company	(193,338)	—
Purchase of currencies by the Company	—	226,494
Exchange difference	(30,987)	42
At end of year	27,563	239,750

#### Purchase of foreign currencies

	2008 USD	2007 USD
Thomas Cook (India) Limited	6,558,873	8,605,223

#### Compensation paid to key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	2008 USD	2007 USD
Short-term benefits	42,476	105,431



## Notes to the Financial Statements for the year ended 31st December, 2008

### 22. COMMITMENTS

#### Capital Commitments

The Group has capital commitments amounting to USD 15,000 relating to additional investment in Thomas Cook (Mauritius) Holidays Ltd.

#### Operating lease commitments

The Group does not own any property and has entered into operating leases for office space and sales outlets for a period between 2 and 5 years. The rentals are subject to an annual increase, generally not exceeding 5%. The future aggregate minimum lease payments under non - cancellable operating lease arrangements are as follows:

	2008 USD	2007 USD
Not later than 1 year	124,619	156,260
Later than 1 year and not later than 5 years	250,557	648,194
	<u>375,176</u>	<u>804,454</u>

### 23. FINANCIAL INSTRUMENTS

In its ordinary operations, the Group and the Company are exposed to various risks such as capital risk, foreign currency risks, interest rate risks, credit risks and liquidity risks.

#### Capital risk management

The Group and the Company manage its capital to ensure that the Group and the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2007.

The capital structure of the Group and the Company consists of debt, which includes the borrowings disclosed in note 16 and 19, cash and cash equivalents and equity comprising issued capital, and retained earnings.

#### Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liability and equity instruments are disclosed in note 3 to the financial statements.

#### Fair values

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

#### Categories of financial instruments

	Group		Company	
	2008 USD	2007 USD	2008 USD	2007 USD
<b>Financial assets</b>				
Loan receivable	—	—	500,000	—
Trade and other receivables	561,896	683,335	—	—
Cash in hand and at bank	3,884,808	2,924,714	2,371	512,808
	<u>4,446,704</u>	<u>3,608,049</u>	<u>502,371</u>	<u>512,808</u>
<b>Financial liabilities</b>				
Trade and other payables	529,324	964,018	52,165	40,324
Borrowings	545,285	—	—	—
Obligation under finance leases	88,152	114,234	—	—
	<u>1,162,761</u>	<u>1,078,252</u>	<u>52,165</u>	<u>40,324</u>

#### Currency risk

The Group and the Company are exposed to the risk that the exchange rate of the United States Dollar relative to the currencies listed below may change in a manner which has a material effect on the reported values of its assets and liabilities.

#### Currency profile

The currency profile of the Group's and the Company's financial assets and the financial liabilities is summarised as follows:

Group	Financial assets		Financial liabilities	
Currency	2008 USD	2007 USD	2008 USD	2007 USD
Mauritius rupee	1,970,244	1,851,630	985,608	798,178
United States dollar	1,151,398	948,165	153,700	40,324
Pound sterling	103,416	282,166	—	226,494
Euro	903,215	383,564	—	—
Others	318,431	142,524	23,453	13,256
	<u>4,446,704</u>	<u>3,608,049</u>	<u>1,162,761</u>	<u>1,078,252</u>

#### Currency profile (Continued)

#### Company

	Financial assets		Financial liabilities	
	2008 USD	2007 USD	2008 USD	2007 USD
Currency				
United States dollar	<u>502,371</u>	<u>512,808</u>	<u>52,165</u>	<u>40,324</u>

#### Foreign currency sensitivity analysis

The Group is mainly exposed to Euro, Great Britain Pounds and United States Dollar.

The following table details the Group's sensitivity to a 10% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items below and adjusts their translation at the period end for a 10 % change in foreign currency rates. A negative number below indicates a decrease in profit where the Mauritian Rupee strengthens 10 % against the relevant currency. For a 10% weakening of the Mauritian Rupee against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.

Impact of 10% increase of the Mauritian Rupee against the relevant currencies:

	2008 USD	2007 USD
<b>Euro:</b>		
Profit	(90,322)	(21,565)
<b>Pound Sterling</b>		
Profit	(10,342)	(3,130)
<b>United States Dollar:</b>		
Profit	99,770	(15,443)

The above is mainly attributable to the Group exposure outstanding on receivables and exposure on cash and cash equivalents.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

#### Forward foreign exchange contracts

The Group enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchases transactions.

The following table details forward foreign currency contract outstanding as at 31 December:

	Average Exchange rate		Foreign currency		Contract value		Fair value	
	2008 Euro	2007 Euro	2008 Euro	2007 Euro	2008 Euro	2007 Euro	2008 Euro	2007 Euro
Buy Euro	44.60	—	300,000	—	13,380,000	—	13,380,000	—

#### Compliance risk

Compliance risk arises from a failure or inability to comply with the laws, regulations or codes applicable to the industry. Non-compliance can lead to fines, public reprimands, enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate.

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Group and the Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

The Group's and the Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by management based on prior experience and represents the Company's maximum exposure to credit risk.

The Group has significant credit risk to one customer which represents 9% of trade receivables.

#### Interest rate risk

The group and the Company are exposed to interest rate risk as they borrow funds at both fixed and floating interest rates. The risk is managed by the group and the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The interest rate profile of the financial assets and financial liabilities at 31st December was:

Notes to the Financial Statements for the year ended 31st December, 2008

146

**Financial assets**

	Balance with bank - floating interest rate	
	2008	2007
Mauritian rupee	6% p.a.	6% p.a.

**Financial liabilities**

	Finance leases - floating interest rate	
	2008	2007
Mauritian rupee	Prime Lending Rate + (1.25%) p.a.	

Interest rate sensitivity analyses below have been determined based on the exposure to interest rates for the non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Profit for the year ended 31st December, 2008 would increase/decrease by USD 16,257 (2007: decrease/increase by USD 6,951). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

**Liquidity risk management**

The Group and the Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of the financial instruments is summarized as follows:

**Group**

**2008**

	Less than 1 months USD	1-3 Months USD	3 months to 1 year USD	1-5 years USD	Total USD
Financial liabilities					
Trade and other payables	209,106	320,218	-	-	529,324
Borrowings	545,285	-	-	-	545,285
Obligation under finance leases	2,617	5,234	23,552	56,749	88,152
	<u>757,008</u>	<u>325,452</u>	<u>23,552</u>	<u>56,749</u>	<u>1,162,761</u>

**2007**

	Less than 1 months USD	1-3 Months USD	3 months to 1 year USD	1-5 years USD	Total USD
Financial liabilities					
Trade and other payables	604,989	359,029	-	-	964,018
Obligation under finance leases	2,526	5,051	22,731	83,926	114,234
	<u>607,515</u>	<u>364,080</u>	<u>22,731</u>	<u>83,926</u>	<u>1,078,252</u>

**Liquidity risk management (Continued)**

**Company**

	Less than 1 months USD	3 months to 1 year USD	Total USD
2008			
Financial liabilities			
Trade and other payables	-	52,165	52,165
2007			
Financial liabilities			
Trade and other payables	40,324	-	40,324



## Information Regarding Subsidiary Companies Pursuant to Section 212 of the Companies Act, 1956

Name of the Subsidiary Company	Financial Year ending of the Subsidiary	Number of equity shares held	Extent of holding	Net aggregate amount of the Subsidiary Company's profit/(loss) not dealt with in the Company's accounts :		Net aggregate amount of the Subsidiary Company's profit/(loss) dealt with in the Company's accounts :	
				For the Subsidiary Company's financial period ended 31st December, 2008	For the Subsidiary Company's previous financial years	For the Subsidiary Company's financial period ended 31st December, 2008	For the Subsidiary Company's previous financial years
Travel Corporation (India) Limited	31.12.2008	1,576,698	100%	INR 7,863,821	INR 137,910,297	—	—
Thomas Cook Tours Limited	31.12.2008	50,000	100%	INR (64,955)	—	—	—
Thomas Cook Insurance Services (India) Limited	31.12.2008	50,000	100%	INR 1,888,622	INR 11,892,964	—	—
Indian Horizon Travel and Tours Limited	31.12.2008	50,000	100%	INR (65,120)	—	—	—
Thomas Cook (Mauritius) Holding Company Limited	31.12.2008	1,655,500	100%	USD (21,552)	USD (78,132)	—	—
Thomas Cook (Mauritius) Operations Company Limited*	31.12.2008	268,136	100%	MUR 37,800,530	MUR 26,982,931	—	—
Thomas Cook (Mauritius) Travel Limited*	31.12.2008	13,100	100%	MUR (857,137)	MUR (89,076)	—	—
Thomas Cook (Mauritius) Holidays Limited*	31.12.2008	13,100	100%	MUR (1,279,250)	MUR 49,713	—	—
Thomas Cook Lanka Holdings (Private) Limited@	31.12.2008	—	—	—	—	—	—
Airline Services Lanka (Private) Limited@	31.12.2008	—	—	—	—	—	—

\* All the shares are held by Thomas Cook (Mauritius) Holding Company Limited

@ Companies have applied to Registrar General of Companies, Sri Lanka to strike off their names from Register

For and on behalf of the Board

UDAYAN BOSE — CHAIRMAN

MADHAVAN MENON — MANAGING DIRECTOR

VINAYAK K. PUROHIT — EXECUTIVE DIRECTOR — FINANCE

RAKSHIT DESAI — EXECUTIVE DIRECTOR — TRAVEL SERVICES

R. R. KENKARE — PRESIDENT & HEAD — LEGAL & COMPANY SECRETARY

Mumbai, 27th February, 2009

## Consolidated Five Financial Years' Performance

(Rupees in Million)

	2008	2007	2006 (14 Months)	2005	2004
Total Income	3259.0	3042.3	2273.8	1413.9	1396.2
Total Expenditure	2627.9	2386.3	1688.9	972.4	957.1
Profit Before Taxation	631.1	656.0	584.9	441.5	439.1
Profit After Taxation (After Tax & Adjustments for prior years, if any)	373.3	519.1	359.5	284.8	280.4
Dividend Paid/Payable	79.3	80.4	80.4	54.7	54.7
Dividend Tax	15.8	21.0	13.7	7.7	7.1
Dividend (%)	37.5	50.0	50.0	37.5	37.5
Earning per Share – Basic (Rs. Per Equity Share of Re. 1 each)	2.42	2.91	2.47	1.95	1.92
Fixed Assets	2156.5	2172.7	2139.3	555.7	540.6
Investments	2.2	7.0	125.3	141.4	6.1
Net Current Assets#	2685.7	2631.8	1850.0	973.5	1054.7
Misc. Expenditure	0.0	0.1	0.1	0.1	0.1
Minority Interest	0.0	0.0	11.5	0.0	0.0
Total Application of Funds	4844.4	4811.7	4103.3	1670.7	1601.5
Share Capital	1216.7 \$	1199.5 \$	1199.5 @	145.8	145.8
Reserves	1023.2	755.0	379.4	1522.7	1300.3
Shareholders' Funds	2239.9	1954.5	1578.9	1668.5	1446.1
Loan Funds	2604.5	2857.2	2524.4	2.2	155.4
Total Source of Funds	4844.4	4811.7	4103.3	1670.7	1601.5

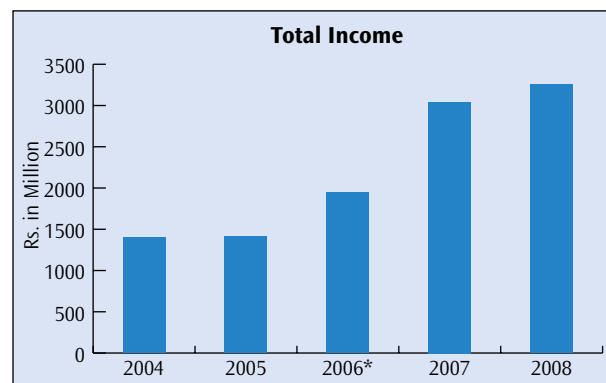
# Net of Deferred Tax Liability.

@ Includes Share Capital Suspense amount of Rs. 1,053.7 Million.

\$ Including Preference Shares amounting to Rs.1050.0 Million (Year 2007- 1,038.7 Million).



\*Annualised


**Note:**

1. The above Graphs are based on Consolidated Financial Figures.

## THOMAS COOK (INDIA) LIMITED - OFFICES

**MUMBAI****Head Office**

Thomas Cook (India) Ltd.  
Thomas Cook Bldg., 324, Dr. D.N. Road,  
Fort, Mumbai - 400 001  
Tel: 022 - 6160 3333 / 6609 1700  
Fax: 022 - 22871069 / 6609 1454

**Bandra**

Thomas Cook (India) Ltd.  
269 B, Jubilee Court, Shop No. 2,  
Linking Road, Bandra, Mumbai - 400 050  
Tel: 022 - 26451004 / 5/ 66093222

**Chembur**

Thomas Cook (India) Ltd.  
Corporate Park, Unit No. 8, Sion-Trombay Road,  
Chembur, Mumbai - 400 071  
Tel: 022 - 66093200/ 66093201/66093202

**Colaba**

Thomas Cook (India) Ltd.  
Shop No. 22-B, Cusrow Baug, Gr. Floor,  
Colaba Causeway, Colaba, Mumbai - 400 001  
Tel: 022 - 22882517 upto 20

**Marol - (TCS - Extns Counter)**

Thomas Cook (India) Ltd.  
Tata Consultancy Services Ltd.  
4th Floor, Road No. 4, Marol, MIDC,  
Andheri (East), Mumbai - 400 093  
Tel: 022 - 66471146/ 66471155

**Malad - (Inorbit Mall)**

Thomas Cook (India) Ltd.  
Inorbit Mall, Mindspace, New Link Road,  
Malad, Mumbai - 400 069  
Tel: 022 - 28768911

**Nerul**

Thomas Cook (India) Ltd.  
Shop No. 4, 5, 6, & 7  
Nerul Commercial Centre Premises Co. op Soc.,  
Plot No. - 21, Sector - 21, Nerul (East),  
Navi Mumbai - 400 706  
Tel: 022 - 27729441 Upto 3 / 66092033  
022 - 27729445 Upto 7

**Powai**

Thomas Cook (India) Ltd.  
AG-2, "Delphi" Orchard, Avenue Hiranandani,  
Business Park Hiranandani,  
Powai, Mumbai - 400 076  
Tel: 022 - 40051881 / 25708448 / 66093244

**Sahar**

Thomas Cook (India) Ltd.  
A/2, Silver Arch, S.B. Marg, J. B. Nagar,  
Andheri (East), Mumbai - 400 059  
Tel: 022 - 28362113 / 8 / 65271061  
Fax: 022 - 28360144 / 28261708 / 28224254

**Sterling Centre**

Thomas Cook (India) Ltd.  
No.1, Gr. Flr., Sterling Centre,  
Opp. Sangam Cinema Andheri-Kurla Road,  
Andheri (East), Mumbai - 400 093  
Tel: 022 - 67412921 Upto 25 / 66093344  
Fax: 022 - 67412020

**Laxmi Plaza**

Thomas Cook (India) Ltd.  
Unit No. 39, Gr. Flr., Laxmi Plaza,  
Laxmi Industrial Estate,  
New Andheri Link Road,  
Andheri (West),  
Mumbai - 400 053  
Tel: 022 - 26350321 / 26350349

**Sahar Intl. Airport**

Thomas Cook (India) Ltd.  
Sahar International Airport, Sahar  
Mumbai - 400 099  
Tel: 022 - 66859620 / 66859621

**TERMINAL II A - DEPARTURE****Sahar Intl. Airport**

Thomas Cook (India) Ltd.  
Chattrapati Shivaji Int'l Airport,  
Terminal IIA, Ground & First Floor,  
Sahar, Andheri (East)  
Mumbai - 400 099  
Tel: 022 - 26828989  
Fax: 022 - 26828575

**TERMINAL II C - ARRIVAL****Sahar Intl. Airport**

Thomas Cook (India) Ltd.  
Chattrapati Shivaji Int'l Airport,  
Terminal IIC, Ground & First Floor,  
Sahar, Andheri (East),  
Mumbai - 400 099  
Tel: 022 - 26828989  
Fax: 26828575

**Seepz**

Thomas Cook (India) Ltd.  
Near SDF - I, Seepz, SEZ  
Andheri (East),  
Mumbai 400 096  
Tel: 022 - 2829 3344 / 2829 3345

**Thane**

Thomas Cook (India) Ltd.  
Abhimaan II, Shop No. 5, 6, & 7  
Ground Floor, L B S Road,  
Near Teen Hath Naka,  
Thane (W) - 400 602  
Tel: 022 - 25446666 / 25446066 upto  
68/ 66092000  
Fax: 022 - 25434030

**Vashi**

Thomas Cook (India) Ltd.  
Inorbit Mall,  
Plot No. 39/1, Sector 30 A,  
Vashi Navi, Mumbai - 400 705  
Tel: 022 - 67777676  
Fax: 022 - 67777677

**Worli - Alankar**

Thomas Cook (India) Ltd.  
Shop No. 2 & 3, Ground Floor,  
Alankar, Dr. Annie Besant Road,  
Worli, Mumbai - 400 018  
Tel: 022 - 24900900 / 01 / 02  
Fax: 022 - 24902555

**SEA FOAM**

1st Floor, 2 Windy Hall Lane,  
Near Colaba Post Office,  
Colaba, Mumbai - 400 005  
Tel: 022 - 2218 0492

**AGRA**

Thomas Cook (India) Ltd.,  
18/165, Crystal Tower,  
Shop No. G - 1, Fatehabad Road,  
Agra - 282 001  
Tel: 0562 - 2330550 / 2330660

**AGRA - TOURIST COMPLEX**

Thomas Cook (India) Ltd.  
181/1, Tourist Complex Area,  
Fatehabad Road,  
Agra - 282 001  
Tel: 0562 - 2330480  
Fax: 0562 - 2330480

**AHMEDABAD**

Thomas Cook (India) Ltd.  
"Supermall", 30-33,  
Ground Floor, Near Lal Bungalow,  
C. G. Road,  
Ahmedabad - 380 009  
Tel: 079 - 26409191 / 26401337 / 40  
Fax: 079 - 26401286

**AHMEDABAD - MARIDA PLAZA**

Thomas Cook (India) Ltd.  
Shop No. 18 & 19, Upper Level,  
Mardia Plaza, C.G. Road,  
Ahmedabad - 380 006  
Tel: 079 - 26562985 / 26403760 / 61 / 62

**AHMEDABAD - MANI NAGAR**

Thomas Cook (India) Ltd.  
Shop G-2, Sukh Chain Complex,  
Radha Vallabh Colony,  
Jawahar Chowk, Mani Nagar,  
Ahmedabad - 380 008  
Tel: 079 - 25462959 / 25462965

**AMRITSAR**

Thomas Cook (India) Ltd.  
Shop No. 1, First Floor, R.S. Tower, 107/1,  
Hall Bazar, Amritsar,  
Punjab - 143 001  
Tel: 0183 - 2536265 / 3257274 / 501327  
Fax: 0183 - 2536265

**ANAND**

Thomas Cook (India) Ltd.  
106, First Floor, Maruti Sankalpi,  
Anand Vidya Nagar Road,  
Anand - 388 001  
Tel: 02692 - 246351 / 248536

**AURANGABAD**

Thomas Cook (India) Ltd.  
Mehra Chambers, 1st Floor,  
Near Saraswat Co-op. Bank,  
Town Centre CIDCO,  
New Aurangabad - 431 003  
Tel: 0240 - 6611240

**BANGALORE**

Thomas Cook (India) Ltd.  
 "The Pavillion"  
 62 / 63, UG3,  
 Bangalore - 560 001  
 Tel: 080 - 25594168/ 25581337/ 9/ 40  
 Fax: 080 - 25586742

**Bangalore - 70 M G Road**

Thomas Cook (India) Ltd.  
 70, M.G. Road,  
 Vimal Chambers Building, 2nd Floor,  
 Bangalore - 560 001  
 Tel: 080 - 67178800 / 41236767

**Bangalore (IISC)**

Thomas Cook (India) Ltd.  
 Indian Institute of Science Campus  
 Malleswaram, Bangalore - 560 012  
 Tel: 080 - 23601094  
 Fax: 080 - 23601527

**Bangalore (I TPL)**

Thomas Cook (India) Ltd.  
 G/12, International Tech Park,  
 Whitefield Road, Bangalore - 560 066  
 Tel: 080 - 28410565 / 0567, Fax: 080 - 28410566

**Bangalore (Koramangala )**

Thomas Cook (India) Ltd.  
 Unit No. G-6, Municipal No. 121/3,  
 Gr. Floor, Salarpuria Money Centre,  
 121, Koramangala Indl., Layout,  
 Bangalore - 560 095  
 Tel: 080 - 41216820/ 25717252, Fax: 41216820

**Bangalore - Int'l Airport**

Thomas Cook (India) Ltd.  
 Bangalore International Airport Limited  
 Devanahalli Road, Bangalore - 560 300  
 Tel: ARRIVAL: 080 - 66783774  
 DEPARTURE: 080 - 66783771, Fax: 080 - 66783772

**BARDOLI**

Thomas Cook (India) Ltd.  
 Shop No. 122, Millenium Mall,  
 Station Road, Bardoli - 394 601  
 Tel: 02622 - 229363, Fax: 02622 - 229364

**BARODA**

Thomas Cook (India) Ltd.  
 Shop 1-3, Gr. Floor, "Landmark" Race Course,  
 Baroda - 390 007  
 Tel: 265 - 2355573 / 4 / 2350469, Fax: 2350471

**BARODA - ALKAPURI**

Thomas Cook (India) Ltd.  
 Shop No. 121, Upper Lever,  
 Dwarkesh Complex, Opp. Panorama Complex,  
 R.C. Dutt Road, Alkapuri,  
 Baroda - 390 005  
 Tel: 0265 - 2327097 upto 99, Fax: 0265 - 2327099

**BHUBANESWAR**

Thomas Cook (India) Ltd.  
 130, Ashok Nagar, Janpath,  
 Bhubaneswar, Orissa - 751 009  
 Tel: 0674 - 2535222 / 2539892, Fax: 2539894

**BHUJ**

Thomas Cook (India) Ltd.  
 Luv Kush Apt., Hospital Road, Bhuj - 370 001  
 Tel: 02832 - 256469, Fax: 02832 - 256470

**CALICUT - AIRPORT**

Thomas Cook (India) Ltd.  
 Calicut International Airport,  
 Calicut Airport P. O, Malappuram,  
 Calicut - 673 647, Kerala  
 Tel: 0483 - 2717201 / 2717943, Fax: 2717201

**CALICUT - SKY TOWER**

Thomas Cook (India) Ltd.  
 5/ 3283, A 11-15, Sky Tower Shopping Mall,  
 Bank Road Jn., Calicut - 673 001  
 Tel: 0495 - 2762681 / 82, Fax: 0495 - 2762683

**CHANDIGARH**

Thomas Cook (India) Ltd.  
 SCO 28/29/30, Sector 9D, Madya Marg,  
 Chandigarh - 160 017  
 Tel: 0172 - 2746 783 / 2745 629 / 630  
 Fax: 0172 - 2745628

**CHENNAI****Adyar**

Thomas Cook (India) Ltd.  
 # 12, Lattice Bridge Road, K. R. Building,  
 Ground Floor, Adyar,  
 Chennai - 600 020  
 Tel: 044 - 24405333, Fax: 044 - 24400925

**Airport**

Thomas Cook (India) Ltd.  
 Departure Terminal,  
 Anna International Airport,  
 Chennai - 600 027  
 Tel: 044 - 22561854, Fax: 044 - 22561856

**Ceebros Centre**

Thomas Cook (India) Ltd.  
 Ceebros Centre, 45 Montieth Road,  
 Chennai - 600 008  
 Tel: 044 - 66774600 upto 608

**Rajaji Road**

Thomas Cook (India) Ltd.  
 # 20 Rajaji Road, Chennai - 600 001  
 Tel: 044 - 25330105, Fax: 044 - 25330105

**Eldorado Building**

Thomas Cook (India) Ltd.  
 G4, Eldorado Building,  
 No. 112, Nungambakkam High Road,  
 Chennai - 600 034  
 Tel: 044 - 28274941/ 5052, Fax: 044 - 28223503

**Spencer Plaza - G-17**

Thomas Cook India Ltd.  
 G- 17, A & B, Phase I, Spencer Plaza,  
 Chennai - 600 002  
 Tel: 044 - 28492425 / 28492426, Fax: 28492420

**TNHB Plaza**

Thomas Cook (India) Ltd.  
 Shop No. 3, TNHB Plaza, C-47, II Avenue,  
 Anna Nagar, Chennai, Tamil Nadu - 600 040  
 Tel: 044 - 26203337 / 26203054, Fax: 26203337

**(TCS EXTN-counter)**

Thomas Cook (India) Ltd.  
 Tata Consultancy Services Ltd.  
 Elnet Software City, Taramani,  
 Chennai - 600 013  
 Tel: 044 - 66161055 / 22542893

**COCHIN**

Thomas Cook (India) Ltd.  
 Palal Towers, 1st Floor, Right Wing,  
 M.G. Road, Cochin - 682 016  
 Tel: 0484 - 2369729 / 2374205

**COCHIN INTL. AIRPORT**

Thomas Cook (India) Ltd.  
 Cochin International Airport Ltd.  
 Nedumbassery  
 Tel: 0484 - 2610032 / 2610054

**COIMBATORE**

Thomas Cook (India) Ltd.  
 14 & 15, City Center, 1st Floor,  
 Opp. Sree Annaporna, East Arokiyasamy Road,  
 R.S Puram, Coimbatore - 641 002  
 Tel: 011 - 0422 - 2542227 / 2229

**DELHI - C-33**

Thomas Cook (India) Ltd.  
 C-33 Connaught Place, Inner Circle  
 New Delhi - 110 001  
 Tel: 011-23416585 / 5571 / 23418572 / 6573  
 Fax: 011 - 23416580

**Central Cottage**

Thomas Cook (India) Ltd.  
 Central Cottage Industries Corpn. of India Ltd.  
 Jawahar Vyapar Bhavan, New Delhi  
 Tel: 011 - 41522008

**Hotel Janpath**

Thomas Cook (India) Ltd.  
 Hotel Janpath, Room No. 4,  
 Janpath, New Delhi - 110 001  
 Tel: 011 - 23340564 / 23342171 / 41500791  
 Fax: 011 - 23368785

**Indira Gandhi Int'l Airport**

Thomas Cook (India) Ltd.  
 Indira Gandhi Intl. Airport,  
 New Delhi - 110 037  
 Tel: 011 - 25653205

**Nehru Place**

Thomas Cook (India) Ltd.  
 717/718, Intl. Trade Tower, Nehru Place,  
 New Delhi - 110 019  
 Tel: 011 - 26476048 / 49

**Panchkuin Road**

Thomas Cook (India) Ltd.  
 Rishya Mook Bldg., 85-A, Panchkuin Road,  
 New Delhi - 110 001  
 Tel: 011 - 23747404 - 13

**Parliament ST**

Thomas Cook (India) Ltd.  
 PTI Building, 5th Floor,  
 4, Parliament Street,  
 New Delhi - 110 001  
 Tel: 011 - 66506555

**Punjabi Bagh**

Thomas Cook (India) Ltd.  
Punjabi Bagh Branch, Basement 24,  
Central Market, Punjabi Bagh West,  
New Delhi - 110 026  
Tel: 011 - 45418000, Fax: 011 - 45466011

**Vasant Vihar**

Thomas Cook (India) Ltd.  
38, Basant Lok, Vasant Vihar, 2nd Floor,  
New Delhi - 110 001  
Tel: 011 - 41669168 / 41669169  
Fax: 011 - 41669168

**Delhi Railway Station**

Thomas Cook (India) Ltd.  
Near Platform No. 12, Adjacent VIP Parking Area,  
Ajmeri Gate Side, New Delhi Railway Station,  
New Delhi - 110 001  
Tel: 011- 23211819, Fax: 23211855

**DEHRADUN**

Thomas Cook (India) Ltd.  
67/ 3, Rajpur Road, 1st Floor, Dehradun - 248 001  
Tel: 0135 - 2741824

**GOA**

Thomas Cook (India) Ltd.  
8, Alcon Chambers, Dayanand Bandodkar Marg,  
Panaji, Goa - 403 001  
Tel: 0832 - 2221312, Fax: 2221312

**Alcon Chamber**

Thomas Cook (India) Ltd.  
Alcon Chambers, 2nd Floor,  
Dayanand Bandodkar Marg,  
Panaji, Goa - 403 001  
Tel: 0832 - 2232536 / 37 / 2232914  
Fax: 0832 - 2232535

**Brisa Complex**

NORTH GOA (LEISURE TRAVEL)  
Thomas Cook (India) Ltd.  
C/o. Brisa Leisure Resort, Shop No. 47/48/49,  
Naika Vaddo, Calangute, Bardez,  
Goa - 403 516  
Tel: 0832 - 2282456 / 2282176  
Fax: 0832 - 2282330

**Calangute (North) Forex-counter**

Thomas Cook (India) Ltd.  
C/o. State Bank of India  
Hotel Orfil, Ground Floor, Calangute Market,  
Calangute, Bardez, Goa  
Tel: 0832 - 2275693

**Margao (South) - Forex**

Thomas Cook (India) Ltd.  
Mabai Hotel, 1st Floor, Opp. Municipal Garden,  
Mabai Hotel Building, Margao Goa - 403 601  
Tel: 0832 - 2714768

**Calangute**

Thomas Cook (India) Ltd.  
Tourist Cottages, Calangute, Bardez, Goa

**Colva**

Thomas Cook (India) Ltd.  
Tourist Cottages, Colva, Salcete, Goa  
Mb: 98227 64044

**Palolem**

Thomas Cook (India) Ltd.  
Palolem Beach Resort,  
Palolem, Goa  
Tel: 0832 - 2643979

**GURGAON**

Thomas Cook (India) Ltd.  
First India Place, Unit No. 6,  
Sushant Lok Phase I,  
Mehrauli Gurgaon Road,  
Gurgaon - 122 002, Haryana  
Tel: 0124 - 2389581 / 2389584 / 85 / 86  
Fax: 0124 - 2389582

**Marketing Complex**

Thomas Cook (India) Ltd.  
SCF - 97, 1st Floor, Commercial Complex,  
Main Market, Sector - 14,  
Gurgaon - 122 001  
Tel: 0124 - 4087563 / 564, Fax: 0124 - 4086087

**Apparel House**

Thomas Cook (India) Ltd.  
Apparel House, Institutional Area,  
Sector 44, Gurgaon, Haryana  
Tel: 0124 - 2570763 / 2570764

**GUWAHATI**

Thomas Cook (India) Ltd.  
Shop No. 15, Ground Floor,  
Jayant Commerical Complex, Panchawati  
GMB Road, Silpukhuri,  
Guwahati - 781 003, Assam  
Tel: 0361 - 2664454 / 50, Fax: 0361 - 2664454

**HYDERABAD**

Thomas Cook (India) Ltd.  
6-1-57, Nasir Arcade, Saifabad,  
Hyderabad - 500 004  
Tel: 0361 - 23296521 / 22 / 24 / 66442727  
Fax: 0361 - 23296523

**TCS Implant**

Thomas Cook (India) Ltd.  
Deccan Park, Unit No. 3, Plot No. 1,  
Survey No. 64/2, Software Unit Layout,  
Serlingampally Mandal,  
Madhapur - 500 034  
Tel: 040 - 66672000  
Fax: 040 - 66672222

**Sierra Atlantic Implant**

Thomas Cook (India) Ltd.  
Plot No. 9, Survey 115, Nanakramguda Village,  
Serilingampally Mandal,  
Gachibowli - 500 019  
Tel: 040 - 3023 3000, Fax: 040 - 4034 3777

**Cairns Implant**

Thomas Cook (India) Ltd.  
Riverbay Resorts, Near ISKCON Temple  
Rajahmundry - 533 101  
Tel: 0883 - 2423 983, Fax: 0883 - 2423 984

**Centre for Cellular & Molecular Biology**

Thomas Cook (India) Ltd.  
Uppal Road, Hyderabad - 500 007  
Tel: 0883 - 27192501, Fax: 0883 - 27160310

**Hi-Tech City**

Thomas Cook (India) Ltd.  
"A" Core, Podium Level, Cyber Towers,  
Hi-Tech City, Madhapur,  
Hyderabad - 500 033  
Tel: 0883 - 66512300 / 66661101  
Fax: 0883 - 66661107

**Rajiv Gandhi- Int'l Airport**

Thomas Cook (India) Ltd.,  
Rajiv Gandhi International Airport,  
Shamshabad, Andhra Pradesh,  
Hyderabad - 501 218  
Tel: 040 - 66603705 / 06, Fax: 040 - 27766183

**INDORE**

Thomas Cook (India) Ltd.  
Shop No. UG 1 & UG 9, 4,  
Yeshwant Niwas Road  
Indore - 452 001  
Tel: 0731 - 2542525 / 2542526, Fax: 2535544

**JAIPUR**

Thomas Cook (India) Ltd.  
2 (A & B) Ground Floor, Opposite A.I.R.,  
Jaipur Towers, M.I. Road,  
Jaipur - 302 001  
Tel: 0141 - 2360801 / 940 / 2364919  
Fax: 0141 - 2360974

**Sunil Sadan**

Thomas Cook (India) Ltd.  
Sunil Sadan, First floor, 2 M.I. Road,  
Jaipur - 302 001  
Tel: 0141 - 2368175/ 2370291, Fax: 2367114

**Hawa Mahal**

Thomas Cook (India) Ltd.  
Shop No. 42, Sirea Derohi Bazaar,  
Opp. Hawamahahal,  
Jaipur - 302 002  
Tel: 0141 - 2609048 / 6514958

**JAISALMER**

Thomas Cook (India) Ltd.  
Shop No. 1, Rana Kothar House,  
H.No. 4, Commercial Complex,  
Gandhi Chowk, Jaisalmer, Rajasthan - 345 001  
Tel: 02992 - 253265 / 253679  
Fax: 02992 - 253265

**JALANDHAR (Alfa Estate)**

Thomas Cook (India) Ltd.  
5, Lower Ground Floor, Alfa Estate 39,  
G.T. Road, Jalandhar - 144 001  
Tel: 0181 - 2240129 / 2240130, Fax: 2242784

**JAMNAGAR**

Thomas Cook (India) Ltd.  
Shop No. 9, Gr. Floor, Shri Dhan Palace,  
Near Town Hall, Jamnagar - 361 001  
Tel: 0288 - 2664578, Fax: 0288 - 2664579

**JODHPUR**

Thomas Cook (India) Ltd.  
Shop No. 1, 184 Ajit Colony, Mahaveer Complex,  
Circuit House, Jodhpur - 342 001, Rajasthan  
Tel: 0291 - 2512064 / 2512066, Fax: 2512067

**KOLKATA****Shakespeare**

Thomas Cook (India) Ltd.  
19B, Shakespeare Sarani, 1st Floor,  
Kolkata - 700 071  
Tel: 033 - 22830473 / 22830475  
Fax: 033 - 22830467

**Dumdum Airport**

Thomas Cook (India) Ltd.  
N.S.C.B. International Airport  
Dumdum, Kolkata - 700 052  
Tel: 033 - 25110106, Fax: 033 - 25118707

**Salt Lake**

Thomas Cook (India) Ltd.  
SDF Building, Module 304, Block EP & GP,  
Sector V, Bidhan Nagar, Salt Lake,  
Kolkata - 700 091  
Tel: 23573201 / 02 / 23574763, Fax: 23573649

**South City**

Thomas Cook (India) Ltd.,  
378, Lake Gardens, 1st Floor,  
Police Station Lake,  
Kolkata - 700 0045  
Tel: 033 - 24229922 / 24229923

**KOTTAYAM**

Thomas Cook (India) Ltd.  
No. XIII/6A, Kailash Building,  
Near SBT Main Branch,  
Kottayam - 686 001  
Tel: 0481 - 2585260 / 2585261, Fax: 2585262

**Palm HTL**

Thomas Cook (India) Ltd.  
Howa Beach Resort,  
Light House Beach,  
Kovalam, Vizhinjam PO,  
Trivandrum - 695 527  
Tel: 0471 - 2485460

**KOVALAM- ARYANIVAS**

Thomas Cook (India) Ltd.  
VP IX / 750,  
Aryanivas, Kovalam  
Trivandrum - 695 527  
Tel: 0471 - 2485466 / 6455462  
Fax: 0471 - 2485462

**LEH**

Thomas Cook (India) Ltd.  
Shope No.1, 1st Floor,  
Samkar Gonpa Complex,  
Main Bazaar, Leh-Ladakh,  
Jammu & Kashmir - 194 101  
Tel: 01982 - 250519 / 250503  
Fax: 01982 - 250519 / 250503

**LUCKNOW**

Thomas Cook (India) Ltd.  
1st Floor, 68 Hazrat Ganj,  
Opp. Gandhi Ashram, M.G. Road,  
Lucknow - 226 001  
Tel: 0522 - 2624640 / 2624849  
Fax: 0522 - 2624849

**LUDHIANA**

Thomas Cook (India) Ltd.  
Mezzanine Floor, SCO 32,  
Feroze Gandhi Market,  
Ludhiana - 141 001  
Tel: 0161- 70310 / 11, Fax: 0161- 413550

**MANGALORE**

Thomas Cook (India) Ltd.  
Ram Bhavan Complex,  
Nav Bharath Circle, Kodial Bail,  
Mangalore - 575 003  
Tel: 0824 - 2448758 /, Telfax: 0824 - 4266820

**MADURAI**

Thomas Cook (India) Ltd.  
Shop S V & W, KRV Arcade, Ground Floor,  
16 & 17 North Veli Street,  
Madurai - 625 001, Tamil Nadu  
Tel: 0452 - 2348991, Fax: 0452 - 2340685

**MCLEODGANJ**

Thomas Cook (India) Ltd.  
Shop No. 20, Runchal's Mount View,  
McLeodganj, Tehsil Dharamsala,  
District Kangra - 176 219  
Tel: 01892 - 221192 / 220124

**MYSORE**

Thomas Cook (India) Ltd.  
Silver Tower, Ashok Road,  
Ground Floor, Do No. New No. L-350,  
Lashkar Mohalla, Mysore - 570 001  
Tel: 0821 - 2426157 / 2420090, Fax: 2420090

**NAVSAARI**

Thomas Cook (India) Ltd.  
Shop No. 101-102, Anand Complex,  
Library Road, Near Central Bank,  
Navsari (East) - 396 445  
Tel: 02637 - 256142 / 172, Fax: 02637 - 256142

**NOIDA**

Thomas Cook (India) Ltd.  
J/ 24 Sector 18, 1st Floor, Noida,  
Uttar Pradesh - 201 301  
Tel: 0120 - 4338800, Fax: 0120 - 4338804

**PATIALA**

Thomas Cook (India) Ltd.  
Leela Bhawan Market, Gr. Floor,  
S.C.O.N - 156, Patiala - 147 001  
Tel: 0175 - 2203331, Fax: 0175 - 2226564

**PATNA**

Thomas Cook (India) Ltd.  
Hotel Maurya Arcade,  
South Gandhi Maidan,  
Patna - 800 001  
Tel: 0612 - 2500562 / 2500102, Fax: 2500562

**PHAGWARA**

Thomas Cook (India) Ltd.  
Indian Bank Building, G.T. Road,  
Phagwara, Punjab - 144 401  
Tel: 01824 - 500101  
Fax: 01824 - 500100

**PONDICHERRY - I**

Thomas Cook (India) Ltd.  
2-A, Labour Donnais Street,  
Ground Floor, Pondicherry - 605 001  
Tel: 0413 - 2226136 / 2224008  
Fax: 0413 - 2226136

**PUNE- 13, Thacker House**

Thomas Cook (India) Ltd.  
13, Thacker House,  
2418 General Thimmaya Road,  
Pune - 411 001  
Tel: 020 - 26346171 / 6173  
Fax: 020 - 26343027

**CHINCHWAD**

Thomas Cook (India) Ltd.  
Hotel Suryakiran Bldg., C-8,  
Mumbai - Pune Road, Chinchwad  
Pune - 411 019  
Tel: 020 - 65100161  
Fax: 020 - 27461190 / 27456734

**Gulmohar Apartment**

Thomas Cook (India) Ltd.  
2420, Gulmohar Apartment,  
General Timmaya Road, Office No. 201,  
2nd Floor, Pune - 411 001  
Tel: 020 - 66220600, Fax: 020 - 26337392

**DECCAN**

ICC Trade Towers, SR. No. 985,  
Plot No. 403 A/2, Senapati Bapat Road,  
Shivaji Nagar, Pune - 411 016  
Tel: 020 - 66021372 / 25630282, Fax: 66029173

**Hinjewadi**

Thomas Cook (India) Ltd.  
Plot No. 7, Pune Infotech Park,  
M.I.D.C., Opp. Infosys,  
Hinjewadi, Pune - 411 057  
Tel: 020- 22934180 / 22932379

**PUSHKAR**

Thomas Cook (India) Ltd.  
Shriya Guest House Building,  
Pushkar - 305 022, Rajasthan  
Tel: 0145 - 5105099 / 2773193, Fax: 5105099

**RAJKOT**

Thomas Cook (India) Ltd.  
103, Mani Complex, Opp. Holiday Inn,  
Yagnik Road, Rajkot - 360 001  
Tel: 0281 - 2461560, Fax: 0281 - 2461561

**SURAT- (Rajhans Plaza)**

Thomas Cook (India) Ltd.  
Shop No. UG-1, Rajhans Plaza,  
Opp. Pizza Hut, Near Blind School,  
Ghod Dod Road, Surat - 395 007  
Tel: 0261- 2650631 / 2650608  
Fax: 0261- 2650631

**TRIVANDRUM**

Thomas Cook (India) Ltd.  
TC 25 / 2421 (1), Ground Floor, Soundarya Bldg.,  
M.G. Road, Trivandrum - 695 001  
Tel: 0471 - 2338140 / 2338141, Fax: 2338142

**TRIVANDRUM - POURNIMA BUILDING**

Thomas Cook (India) Ltd.  
28/ 2392, Ground Floor,  
Pournima Bldg., S.L. Theatre Road,  
Overbridge Junction,  
Thiruvanthapuram - 695 001  
Tel: 0471 - 2473106, Fax: 0471 - 2473364

**VARKALA**

Thomas Cook (India) Limited  
Kerala Bamboo, Kurakkanni,  
Cliff Varkala, Trivandrum  
Mb: 9349379753

**UDAIPUR**

Thomas Cook (India) Ltd.  
Shop No. 3/4, Rang Niwas Hotel Compound,  
Lake Palace Road,  
Udaipur - 313 001  
Tel: 0294 - 3252590, Fax: 2423358

**VARANASI**

Thomas Cook (India) Ltd.  
S-20/ 51-5, S0-20/52-4, Sridas Foundation  
The Mall Rd, Cantt. Varanasi,  
Varanasi - 221 002  
Tel: 0542 - 2509946 / 2500589, Fax: 2502766

**VIJAYWADA**

Thomas Cook (India) Ltd.  
Door No. 39-1-68 A, NTS No. 459, Labbipet,  
Near Taj Gateway, M.G. Road,  
Vijaywada - 520 010  
Tel: 0866 - 6630337/ 6451172, Fax: 6630338

**VISHAKAPATNAM**

Thomas Cook (India) Ltd.  
Eswar Plaza, Door No. 47-14-7,  
Gr. Floor, Dwarka Nagar,  
Vishakapatnam - 530 016  
Tel: 0891 - 2588112 / 2588113, Fax: 2588116

**SRILANKA - BANDARANAIKE - INTERNATIONAL AIRPORT****BANDARANAIKE - AIRPORT**

Thomas Cook (India) Ltd.  
Bandaranaike International Airport, Katunayake,  
Tel: ARRIVAL: 00 - 9411 - 4832881, DEPARTURE: 00 - 9411 - 4833784

**UNION PLACE**

Thomas Cook (India) Ltd.  
No. 393, Union Place, Colombo 2, Sri Lanka,  
Tel: 00 - 9411- 4741515 / 4628258

**MAURITIUS****MAURITIUS - ANGLO MAURITIUS HOUSE**

Thomas Cook (Mauritius) Operations Co. Ltd.  
Anglo Mauritius House,  
4, Intendance Street, Port - Louis  
Tel: 00 - 230 - 213 4141, Fax: 213 4142

**MAURITIUS - CAUDAN**

Thomas Cook (Mauritius) Operations Co. Ltd.  
Caudan, Shop 036, Le Caudan Waterfront II,  
Port Louis, Mauritius  
Tel: 00 - 230 - 210 9660, Fax: 210 9674

**MAURITIUS - GRAND BAIE**

Thomas Cook (Mauritius) Operations Co. Ltd.  
Restaurant Palais De Chine,  
Royal Road, Grand Baie  
Tel: 00 - 230 - 2631111, Fax: 263 4444

**MAURITIUS - GRAND BAIE  
(SUNSET BOULEVARD)**

Thomas Cook (Mauritius) Operations Co. Ltd.  
Sunset Boulevard, Grand Baie,  
Tel: 00 - 230 - 263 5235, Fax: 263 5153

**MAURITIUS - ARSENAL**

Thomas Cook (Mauritius) Operations Co. Ltd.  
Shop 1A, Arsenal Shopping Complex,  
Royal Road, Arsenal  
Tel: 00 - 230 - 2491248, Fax: 2491248

**MAURITIUS - FLIC EN FLAC**

Thomas Cook (Mauritius) Operations Co. Ltd.  
Opposite Pasadena Village, Flic en Flac,  
Tel: 00 - 230 - 453 8447,  
Fax: 453 8448

**MAURITIUS - CUREPIPE**

Thomas Cook (Mauritius) Operations Ltd.  
Currimjee Arcades, Sir Winston Churchill Street,  
Curepipe, Mauritius  
Tel: 00 - 230 - 670 1975, Fax: 670 1988

**MAURITIUS - QUATRE BORNES**

Thomas Cook (Mauritius) Operations Ltd.  
Select Market, Royal Road,  
Quatre Bornes, Mauritius,  
Tel: 00 - 230 - 427 8040, Fax: 427 8040

**MAURITIUS - FLACQ**

Thomas Cook (Mauritius) Operations Ltd.  
Royal Road, Opposite Taxi Stand,  
Central Flacq,  
Mauritius  
Tel: 00 - 230 - 413 0123, Fax: 413 0754

**MAURITIUS - RIVIÈRE NOIRE**

Thomas Cook (Mauritius) Operations Ltd.  
Royal Road, Rivière Noire,  
Mauritius,  
Tel: 00 - 230 - 483 8415

**MAURITIUS - AIRPORT**

Thomas Cook (Mauritius) Operation Co. Ltd.  
SSR International Airport,  
Plaisance,  
Plaine Magnien,  
Mauritius  
Tel: ARRIVAL: 00 - 230 - 603 6061  
DEPARTURE: 00 - 230 - 603 6062,  
Fax: 637 9116



## TRAVEL CORPORATION (INDIA) LIMITED

154

**NARIMAN POINT**

Travel Corporation (India) Ltd.  
Chander Mukhi, 1st Floor,  
Nariman Point, Mumbai - 400 021  
Tel: 022 - 67401000  
Fax: 022 - 22029424 / 22831921  
Website: www.tcindia.com

**D.N. ROAD**

Travel Corporation (India) Ltd.  
Thomas Cook Bldg., 324, Dr. D.N. Road,  
Fort, Mumbai - 400 001  
Tel: 6160 3333, Fax: 22871069 / 6609 1454

**CHEMBUR**

Travel Corporation (India) Ltd.  
Corporate Park, Unit No. 8, Sion-Trombay Road,  
Chembur, Mumbai - 400 071  
Tel: 022 - 66093200 / 66093201

**AGRA**

Travel Corporation (India) Ltd.  
Hotel Clarks Shiraz, 54, Taj Road,  
Agra - 282 001  
Tel: 0562 - 2226521 / 2226522, Fax: 2226524

**AHMEDABAD**

Travel Corporation (India) Ltd.  
"Ushadeep" Near Navrangpura  
Railway Crossing, Navrangpura,  
Ahmedabad - 380 009  
Tel: 079 - 26421981 upto 85  
Fax: 079 - 26421986

**BANGALORE**

Travel Corporation (India) Ltd.  
09, Residency Road, Dhondusa Complex,  
Richmond Circle, Bangalore - 560 025  
Tel: 080 - 22105826 upto 29, Fax: 22105651

**BARODA**

Travel Corporation (India) Ltd.  
33-36, Alkapuri Shopping Centre,  
Vishwas Colony, Alkapuri, Baroda - 390 005  
Tel: 0265-2336474 to 78, Fax: 2354742

**CHENNAI**

Travel Corporation (India) Ltd.  
"Heavitree", 47, Spurtank Road,  
Chetpet, Chennai  
Tel: 044-28362556 / 7 / 8, Fax: 28362559

**COCHIN**

Travel Corporation (India) Ltd.  
Telstar Building, 1st Floor, P.B. No. 2427  
Ravipuram, M.G. Road, Cochin - 682 016  
Tel: 0484-2359677, Fax: 2359475

**NEW DELHI - HOUSE**

Travel Corporation (India) Ltd.  
504-505 New Delhi House, 5th Floor,  
27 Barakhamba Road, New Delhi - 110 001  
Tel: 011-23315834 / 23315838, Fax: 23316705/3320

**NEW DELHI (C-35 CONNAUGHT PLACE)**

Travel Corporation (India) Ltd.  
C-35 Connaught Place, Inner Circle  
New Delhi - 110 001  
Tel: 011-  
Fax: 011-66272100

**GOA**

Travel Corporation (India) Ltd.  
101, Citi Centre, 19, Patta Plaza,  
Panjim, Goa - 403 001  
Tel: 0832- 6650998 / 6650999  
Fax: 0832- 438913 / 2438911

## INTERNATIONAL BRANCHES - TRAVEL CORPORATION (INDIA) LIMITED

**BARCELONA**

Travel Corporation (India) Ltd.  
Aribau 265, 4 -1, 08021, Barcelona, Spain,  
Tel: 0034-93 - 2001415/ 93-2412255  
Fax: 0034 - 93-4140333

**FRANKFURT**

Travel Corporation (India) Ltd.  
Joachim-Becher-Strasse 8,  
60320 Frankfurt, Germany  
Tel: 0049 - 69 565353 / 5604165

**LONDON**

Travel Corporation (India) Ltd.  
St. Mary's Court, The Broadway, Old Amersham,  
Buckinghamshire, HP7 0UT  
Tel: 00- 44 - 1494 618 450, Fax: 1494 618 451

**MADRID**

Travel Corporation (India) Ltd.  
C/Cristobal Bordiu, 35 - Oficina 410,  
28003, Madrid, Spain  
Tel: 0034 - 91-5545457, Fax: 5533887

**NEW YORK**

Travel Corporation (India) Ltd.  
358 Fifth Avenue, Suite 1201, New York,  
NY 10001, USA  
Tel: 001-212- 935 4825, Fax: 753 3956

**TOKYO**

Travel Corporation (India) Ltd.  
5F, MA, Shibaura Bldg., 3-8-10, Shibaura,  
Minato-KU, Tokyo - 108 - 0023  
Tel: 00813 3456 5959, Fax: 3456 5960

## THOMAS COOK INSURANCE SERVICES (INDIA) LIMITED (Financial &amp; Card Services)

**MUMBAI**

Thomas Cook Insurance Services (India) Ltd.  
Thomas Cook Building, D. N. Road, Fort,  
Mumbai - 400 001  
Tel: 022 - 6160 3333, Fax: 22871069/6609 1454

**AHMEDABAD**

Thomas Cook (India) Ltd.  
"Supermall", 30-33, Ground Floor, Near Lal  
Bungalow, C. G. Road, Ahmedabad - 380 009  
Tel: 079 - 26409191

**BANGALORE**

Travel Corporation (India) Ltd.  
09, Residency Road, Dhondusa Complex,  
Richmond Circle, Bangalore - 560 025  
Tel: 080 - 67178800

**CHANDIGARH**

Thomas Cook Insurance Services (India) Ltd.  
SCO - 28/29/30, Sector - 9D, Madhya Marg,  
Chandigarh - 160 017  
Tel: 0172 - 5002456, Fax: 0172 - 5085333

**CHENNAI**

Thomas Cook Insurance Services (India) Ltd.  
TCI - "Heavitree", 47, Spurtank Road,  
Chetpet, Chennai - 600 031  
Tel: 044 - 66774629

**DELHI**

Thomas Cook Insurance Services (India) Ltd.  
TCI- 504 -505 New Delhi House, 5th Floor, 27  
Barakhamba Road, New Delhi - 110 001  
Tel: 011 - 23315834/ 23315838, Fax: 23316705

**HYDERABAD**

Thomas Cook Insurance Service (India) Ltd.  
6-1-57, Nasir Arcade, Saifabad,  
Hyderabad - 500 004, Rammohan Asadi  
Tel: 040 - 23231988 Extn. 416, Fax: 23231526

**KOLKATA**

Thomas Cook Insurance Service (India) Ltd.  
198, Shakespeare Sarani, 1st Floor,  
Kolkata - 700 071  
Tel: 033 - 22824711 / 12, Fax: 22830471

**PUNE**

Thomas Cook Insurance Service (India) Ltd.  
13, Thacker House, 2418 General Thimmaya  
Road, Pune - 411 001  
Tel: 020 - 26346171/ 6173, Fax: 26343027





## Thomas Cook (India) Limited

Registered Office : Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001

### PROXY FORM

Folio No. \_\_\_\_\_ /DP ID No.\* \_\_\_\_\_ & Client ID No.\* \_\_\_\_\_

(\*Applicable for members holding Shares in electronic form)

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member / members of THOMAS COOK (INDIA) LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to

attend and vote for me/us and on my/our behalf at the **THIRTY-SECOND ANNUAL GENERAL MEETING** of the Company to be held on Thursday, 28th May 2009 at 3.30 p.m. at Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021 or at any adjournment/s thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2009

Signature \_\_\_\_\_

Affix  
Rupee 1  
Revenue  
Stamp

Note: The Proxy must be returned duly completed so as to reach the Registered Office not less than 48 hours before the Meeting.

TEAR HERE



## Thomas Cook (India) Limited

Registered Office : Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001

### ATTENDANCE SLIP

To be handed over at the entrance of the Meeting hall

Folio No. \_\_\_\_\_ /DP ID No.\* \_\_\_\_\_ & Client ID No.\* \_\_\_\_\_

(\*Applicable for members holding Shares in electronic form)

Address : \_\_\_\_\_ Name : \_\_\_\_\_

(IN BLOCK CAPITAL)

I hereby record my presence at the **THIRTY-SECOND ANNUAL GENERAL MEETING** of THOMAS COOK (INDIA) LIMITED held on Thursday, 28th May 2009 at 3.30 p.m. at Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021.

Signature of Shareholder/Proxy

Name of the Shareholder

Notes :

- (1) Members/Proxy holders are requested to bring their attendance slip with them when they come to the meeting and hand it over at the entrance after signing it.
- (2) Members/Proxy holders who come to attend the meeting are requested to bring their copies of the Notice and Annual Accounts.

TEAR HERE



# FORM 2B NOMINATION FORM

Folio No. : \_\_\_\_\_

No. of Shares : \_\_\_\_\_

(To be filled in by individual(s) applying singly or jointly)

I/We \_\_\_\_\_ and \_\_\_\_\_ and \_\_\_\_\_  
the holders of Shares bearing number(s) \_\_\_\_\_ of M/s. Thomas Cook (India) Limited  
wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and/or amount payable in  
respect of Shares shall vest in the event of my or our death.

## Name and Address of Nominee

Name : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

Date of Birth\* : \_\_\_\_\_

(\*to be furnished in case the nominee is a minor)

\*\* The Nominee is a minor whose guardian is

Name and Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(\*\* To be deleted if not applicable)

[To be filled in by the Shareholder(s)]

1. Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Date : \_\_\_\_\_

2. Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Date : \_\_\_\_\_

3. Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Date : \_\_\_\_\_

## Name, Address and Signature of two Witnesses

Name and Address

Signature with date

1.

2.

(Applicable only in respect of physical shareholding)

**Instructions:**

1. The Nomination can be made by individuals only, applying/holding Shares on their own behalf, singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. If the Shares are held jointly, all joint holders will sign the Nomination Form. Space is provided as a specimen, if there are more joint holders more sheets can be added for signatures of holders of Shares and witnesses.
2. A minor can be nominated by a holder of Shares and in that event, the name and address of the guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.
4. Nomination shall stand rescinded upon transfer of Shares.
5. Transfer of Shares in favour of a nominee shall be a valid discharge by a company against the legal heir.
6. The Nomination Form shall be filed in duplicate with the Share Transfer Agent or at the Registered Office of the Company.





**Thomas Cook (India) Limited**

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